

City Council Meeting Transcript - 12/13/2012

>> Mayor Leffingwell: Good morning. I'm austin mayor, lee leffingwell and we'll begin t the invocation from cynthia caruso. Please rise.

[10:03:21]

>> Gracious creator. In this southbound of advent we wait expectedly for the light of your son to break in on us again. Lay your generous hands on these people who have accepted the man tell of leadership on behalf of the city of austin. Give our city's leaders compassion mixed with wisdom, help them to see and hear with their hearts and to make honorable decisions. And bless them, bless them with beauty and joy, fill them with laughter and love and may this city and its people be better off because of the work they do. In the name of the prince of peace, jesus, amen.

>> Mayor Leffingwell: Amen. Thank you, pastor. Please be seated. A quorum is present so I'll call this meeting of the austin city council to order on thursday, december 13th, 2012, at 10:05 a.m. We're meeting in the council chambers, austin city hall, 301 west second street, austin, texas. We'll start with the changes and corrections to today's agenda. Item number 3, add the phrase, approve unanimously by the water and wastewater commission on december 12, 2012 with a 4-0-0-3 vote. Item number 12 is withdrawn. Item number 13 is withdrawn. Add the phrase to items 37 and 44, recommended by the water and wastewater commission and the austin airport advisory commission. To item 41 add the phrase, recommended by the austin community technology and telecommunications commission. Item 60 and 61 are withdrawn. Item 68 add as a second co-sponsor, councilmember mike martinez. Our time certain items for today, 10:30 briefings. That will be a briefing on the austin water utility conservation plan. At 12 noon we'll have our general citizens communication. our zoning matters. we'll also have a briefing on the planned unit development assessments. 00 we'll have our public hearings. 30 live music and proclamations. The musician for today is extreme heat. The consent agenda for today is items 1 through 70 and items 95 through 98. I'll read item number 55 into the record. That item will remain on consent. These are our appointments to boards and commissions and waivers. To the animal advisory commission, gina bener is nominated by councilmember tovo. Intergovernmental bodies to the city of austin employees retirement system, elizabeth gonzalez is a council nominee. The following items are pulled off the consent agenda. Item number 50 by councilmember martinez, item 63 by councilmember spelman. Item 68 by councilmember spelman. Item 98 by councilmember cole. And item 90 is pulled off of consent at 2:00 p.m. There will be a motion made to set a time certain of and it's pulled by councilmember tovo and morrison. Two items pulled for speakers are item 66 and items 95. We have no speakers signed up on the consent agenda. So I'll entertain a motion for approval. Councilmember spelman moves approval, seconded by councilmember morrison. All in favor say aye? Opposed say no? It passes on a vote of six to zero with councilmember martinez off the dais. Did you want to be shown as voting aye on that, councilmember? Show that as 7-0, unanimous approval of the consent agenda. I think we just set a record on that one. First item to be heard off the consent item is item number 50, pulled by councilmember martinez.

[10:08:45]

>> Martinez: Thanks, mayor. Who do we have from staff here? On this item, from a.p.d. Staff? We usually have a slew of cops in here.

[Laughter] morning, chief.

>> Morning, mayor, council.

>> Martinez: Chief, i wanted to ask about this item. We had an item awhile back and I'm trying to pull it up. Long story short, last time we went through a round of vehicle purchases for , we had a long and lengthy discussion about trying to think outside the box in terms of our fleet that we're putting into police services and whether or not we need to continue to purchase what I consider really inefficient in terms of fuel use, inefficient vehicles. And chief carter committed to the council that day that in future purchases that we would try to do everything we can to look at our fleet a little bit differently and try to improve on things like fuel efficiency and greening up the fleet. And so this item obviously stands out. It's 365 horse power vehicles getting about 11 miles to the gallon. And just wanted to know so what process did we go through to get to this point and what level of scrutiny was fuel efficiency a part of that process?

>> Certainly. We looked at obviously, i believe, mayor and council are aware that the ford crown victoria is no longer an option for us and that has been kind of the staple of law enforcement agencies across the country. So we looked last year at what our options were. We looked at the chevy caprice. We looked at the ford police interceptor and police interceptor utility vehicles. We looked at the dodge charger along with the chevy tahoe. At that time show obviously -- owe the tahoe was ruled out except for specialty needs to need to carry a lot of equipment. Fuel efficiency was one of the things we looked at. We also looked at the space of the vehicle in terms of safe transport for the prisoners. Trunk space is also a significant thing we have to look at because of all the electronic components we put in the trunks of these vehicles to run the computer systems and everything. At the end of the day based on all the metrics that we looked at, the police interceptor utility vehicle provided the best option in our opinion, and as a fuel efficiency, this vehicle actually will be more fuel efficient than the crown victorias that we currently use. So although it may not be an improvement to the level that you were hoping to see, we believe we found an option that at least is getting us going in the right direction.

[10:12:01]

>> Martinez: And so what were some of the fuel rating of the other vehicles that you looked at?

>> Byron johnson, purchasing office. One correction we could make, this is 19 miles per gallon. So this is in fact when you look at the rating, unless you go to the smaller underpowered police interceptor, which is at 21, this ties for the highest fuel efficiency unit. So it combines the three factors that were most important, which was leg room, capacity for the extra equipment and then fuel mileage. So if you looked at this one, this is at 19. You looked at the comparable dodge charger, it's at 19. You looked at the tahoe, unfortunately it is at 17 and the other caprices are at 18 and 17. So that was a factor that and purchasing, we all looked at. So I think this kind of looks at that type of approach to be able to get it to the proper area.

>> Martinez: Thank you. So chief, last time we talked about this we talked about the size of the horse power, of the engine in police vehicles and how it's needed for quick response during emergencies and potential pursuits. And the analogy that I gave was, you know, we have fire trucks in the city that respond within three to four minutes of a 911 call and they are not fast at all. What is -- explain to me why is there such a priority on fleet purchases regarding that are still focused on the horse power and the capable speed when it's rarely, rarely used?

>> The reason why that continues to be one of the metrics that we look at across the board is that when we do need to have that additional speed, whether it be a pursuit of a violent felon who we believe is about to commit another felony violation or a d.w.i. Driver who is driving very erratically and at high speeds that we need to apprehend quickly, again for the protection of life, we need to have that ability. So although it may not and fortunately does not occur frequently, when we need it, we need to have that ability.

>> Martinez: And I thought that part of the conversation we had was with the addition of the new helicopter that high speed pursuits wouldn't be necessary, I guess, unless in extreme situations. Did we amend that high speed pursuit policy?

>> Correct. Air one is a constant factor in pursuits. Air one is called in all pursuits and very often air one actually takes over the pursuit so the officers can actually back off.

>> Martinez: That's all.

>> Mayor Leffingwell: And these vehicles are considered green vehicles. They're e-85 vehicles.

[10:15:02]

>> Yes, sir.

>> Mayor Leffingwell: So that fits into our suite of greening up -- vehicles that green up the entire city fleet.

>> Yes, mayor.

>> Mayor Leffingwell: And we now have one speaker. Scott Johnson. Is Roy Whaley here? Roy Whaley is not here. You have three minutes.

>> Okay. Good morning, mayor, councilmembers. Snites, this issue came up first in 2007 when we were talking about the issue of fleet vehicles, the climate protection program and also how can we improve miles per gallon, which has a direct benefit a carbon emissions because the more higher mpg, miles per gallon, the less fuel you use, the more we save for taxpayer dollars. First slide please. In 2007 (indiscernible) scientists which is a group that work on environmental issues, the gentleman there who is the head of their vehicle passenger research said that there's a false choice, use better fuel or get better fuel economy. Most flex fuel vehicles are either giant trucks or utility vehicles or sorry americrap sedans. His words, not mine. So when you choose ethanol you're getting upwards of 25% less miles per gallon based on the energy content of the

fuel. From 2011 -- thank you, martinez, for speaking. As you reiterated some of your concerns they're listed up there. And chief among those is how can we do things to better meet the climate goals and save tax mayor money. And I believe it was chief carter that responded to say absolutely we hear out this issue and we'll continue to look for best practices and also opportunities. I'm aware from having a regular dialogue with purchasing and fleet that there was an attempt to look at all options. Going down it's very busy. On the next section there which is coa fleet and fuel report from the sustainability and fleet office that came out earlier this year it's great that their looking at lowest up front costs, maintenance costs, life cycle costs and lowest total cost of ownership and the environmental impact, which are the last five bullets on that page. Liked, please. One of the best things about the report was that they talked about how they said a goal was improving miles per gallon per year. If they could hit five percent per year, even one percent per year that would be fantastic, so I applaud them for doing that. Back in 1999 and 2004 the city set a goal of one percent reduced fuel use per year and they hit the goal for gasoline, but not for diesel. Now I think we need a department by department fuel economy goal and that would include all the departments, including public safety departments. So my suggestion are support the idea of department by department mpg goal, including public safety departments and integrate into the five-year budgeting process as well as the austin climate protection program which has not been reviewed since 2007 and needs to be reviewed. It's not a static document. as nypd is doing, to purchase at least one or two hybrids and assemble police packages for them as they do. They have needs as well. Some of the needs may be greater than our needs relative to issues and threats.

[10:18:25]

[Buzzer sounds] and number three you can read on your own.

>> Mayor Leffingwell: You have an additional three minutes. Roy whaley is here donating time.

>> So the third one, and going back to number two is that think assemble their own police packages for a cost of about \$1,600. The department of justice has a blog that reviews this and that's something that i sent to a few council offices here and they said that they're maintenance experience has been good. They're happy. They have 400 nissan altima high bids. Niece is a altima without the hybrid gas electric package on the highway get at least 36 miles per gallon, maybe more. These are e.p.a. numbers. So when you look at the opportunity to save money, for that budget, which is an extremely large part of the overall city budget, general fund budget, as you well know, the opportunity is there. Yes, these vehicles have low -- they have lower clearance so if you're jumping curbs, if you're trying to park in someone's front yard to get as close as you can to the threat that exists, and yes, there is going to be damage under those. Nypd also has used ford escape hybrids in place of ford explorer suv's which the city wants to use, which is a low mpg option, no matter how great it is in terms of outfitting it with the police package. I did speak with the folks providing the battery backup and ultimately and austin water and austin energy. That's an additional battery backup that takes more space and they have outfitted on some of nypd's vehicles. So that's more space that they have. So I would encourage the council to ask these questions, how could you trial, how could you pilot a gas-electric hybrid for patrol use and of course for support use? And secondly, can the city review its ethanol policy, and for that matter other aspects of the climate protection plan that appear to be static? , once the

national renewable energy labs tells the city that the life cycle, greenhouse gas emissions are approximately 15% lower using corn-based ethanol, then unfortunately that becomes the de facto answer when you ask them the question. And I believe that there is a minor greenhouse gas benefit, but if you change the land use and the ethanol that's coming to the city's contract comes from outside, so it's possible that the land use is changing, meaning their changing forest to farmland, then greenhouse gas emission requests go up. So there's a range of improvement that could be as much as 15 to 20%, but also there could be a dysimprovement based on where you source the ethanol from. You have to know exactly where it's coming from. So this information in the report is excellent if someone's doing a rigorous evaluation of how we're getting source ethanol and all the energy inputs, meaning how much environmental impact there is to produce it.

[10:21:36]

[Buzzer sounds] then that's great, but we don't have that information in front of us and we need it. Thank you very much. Questions?

>> Mayor Leffingwell: Councilmember Riley.

>> Riley: I do have a few more questions for staff. I don't have questions for Mr. Johnson at this point. I wanted to ask first about the -- to put this in context, if we look at the fleet I understand that we now have about 1,254 vehicles in the fleet, is that about right?

>> I don't have the exact number in front of me, but that sounds about right.

>> Riley: In looking at the fleet -- at our fleet department's dashboard that indicates that so far in 2012 we're up to just under 11 million miles driven by the A.P.D. fleet. Does that sound about right?

>> I'd have to look at the numbers.

>> Riley: I just wanted to convey that there is some significance to what we're talking about, we're talking about a lot of mileage out there. And the current fleet based on that dashboard, the current vehicles, the Crown Victorias are supposed to get how many miles per gallon?

>> The Crown Victorias are rated at 17 miles per hour. The vehicle we're going with is rated at 19 miles per hour. -- 19 Miles per gallon.

>> But that doesn't mean that the vehicles will get that amount of mileage in practice. In fact, if we look at that dashboard that the fleet department maintains, what we see is that in calendar year 2012 so far for our police sedans, which is the bulk of the fleet, 693 units, they have been 17 miles per gallon. Does that sound about right? And those are largely the Crown Vicks that are supposed to get 17 miles per gallon.

>> We can probably speak to that.

>> Gary coke, I'm the fleet officer. That 17 miles per gallon is based on the manufacturer's rating that you would see on the sticker on the windshield of a new vehicle. In actual practice because the units spend a lot of time idling, that sort of thing, the actual miles per gallon that they will get doesn't really equal that rating that you would see. And that's just the nature of their operational profile. The fact is that the units that we are proposing to buy here today do get significantly better gas mileage than the crown vic has. We expect to achieve about a 20 to 25 percent reduction in fuel consumption on those vehicles when compared to the current crown victorias.

[10:24:26]

>> Riley: We're going from vehicles that are supposed to be 17 miles per gallon up to vehicles that are supposed to be 19 miles per gallon and you expect a 25% increase?

>> It depends because of the fact that this is a v-6 and the technology has changed from the older vehicles to the new ones, I think we'll get a little closer to the rating on knees through vehicles than we have on the crown victoria.

>> Riley: So something above 10 miles per hour if we -- so 20% improvement and we might get as high as, say, 12 miles per hour.

>> We might get 12 to 15 miles per hour on the new units, yes.

>> Riley: Okay. And I understand these are e-85 capable vehicles.

>> Yes, they are all e-85 capable vehicles.

>> Riley: But that doesn't actually mean that we'll be using alternative fuel, right? In fact, in 2012 according to the year dashboard, what we see is that for this year the -- for those vehicles, for the police sedan vehicles we've actually been 76% fuel volume as a percentage of the total fuel consumption.

>> There is a significant portion of the current fleet that is not e.p.a. e-85 capable. We've seen a significant increase from year to year and the percentage of the total fuel that they consume that e-85.

>> Riley: And where would that data be available?

>> It would be available -- if you look historically on our dashboard, we would be able to see that or we can pull it for you. I don't know that it shows up on the dashboard itself. Because that only goes back one year.

>> Riley: I see. So right now it just indicates for our police sedans, which largely the crown vics, that they're just under 35% of volume.

>> Correct.

>> Riley: What percentage of that fleet would you expect is e-85 capable?

>> I don't have that number right off the top of my head, but I would suspect that it's probably 40 to 50% of that fleet is e-85 capable. Of course those vehicles can burn either unleaded or e-85. And one of the issues that we've had is that we don't have as much e-85 infrastructure to dispense that fuel as we would like to have and we're in the process of trying to increase or add additional infrastructure when we have tanks that will handle that e-85.

[10:27:01]

>> Riley: Okay. So not all police sedans are e-85 capable?

>> Of the current fleet they are not, no.

>> Riley: And you don't know what percentage?

>> I don't know what percentage off the top of my head.

>> Riley: I have a couple of questions for our sustainability officer. Are you available? Johnson and other citizens have been raising a few questions about our practices with respect to the sustainability of our fleet in general and this purchase, this vehicle purchase in particular. Johnson pointed to the example of the New York police fleet. And New York, the New York police department, as I understand it, now has 235 cars and SUV's that are hybrids, and those are patrol cars as well as vehicles for parking enforcement and school safety. Have you been involved in examining our fleet purchases to see whether we can make any advances like those -- like the kind of advances we're seeing in cities like New York?

>> (Indiscernible), chief sustainability officer. Zach Balmer, our program manager, has worked with the fleet department and the creation of their carbon neutral fleet plan that impacts the entire fleet. And also create a methodology and a matrix that's being used for these comparisons, including a number of different factors, including the miles per gallon. So we are working very closely on these issues, however, I think it's important to realize that sustainability and the miles per gallon and emissions and greenhouse gases are important issues for us and we have aggressive goals there, but there are other functional aspects of these vehicles that must also be taken into consideration. So it's not the only decision-making factor. We have to find a balance between those factors.

>> Sure. And I don't think you get any argument with that. And I think in general both our fleet and our police department have done an excellent job in making strides towards sustainability and energy efficiency with respect to our fleet. The question is could we do better? And I think some legitimate questions have been raised in that regard. Do we at this point have a particular goal in terms of miles per gallon for our fleet or advances on purchasing hybrid vehicles? Are there any goals either citywide or department by department?

>> I can't think of a specific goal just because of the variation in all the different types of vehicles we have in the fleet. So it would be difficult to set a mile per gallon goal. I guess we could set an average goal. We don't have a specific goal for miles per gallon now.

[10:30:02]

>> Riley: How about utilization of alternative fuels? When we have vehicles that are capable of using alternative fuels do we have any particular goals as for the use of alternative fuels in those vehicles?

>> I'm not sure I understand your question exactly.

>> Riley: I guess my question is have we been tracking that? Do we have goals -- in order to assess how meaningful it is to have e-85 compliant vehicles, capable vehicles, given the history that we see and that's available on the fleet department's website, it's hard to have much -- take much solace in the fact that they're e-85 capable if the data we're getting says that we're actually under 35% use of alternative fuels in those vehicles. And the question is are we tracking that? Do we -- is there data to tell us exactly where we are on that? Do we have goals for making progress on that?

>> We have a goal to increase that as much as we can from year to year and we do track it. I believe that 35% number that you're looking at encompasses not only those vehicles that are capable of burning e-85, but also those that are not capable of burning e-85 because it is across their entire fleet. So that number has gone up significantly. When we added the e-85 infrastructure down here at service center 5, which is at eighth street and the frontage road, the percentage of e-85 that they burned went up significantly simply because of the access to a site where they could fill up with e-85. We have a site planned, an additional e-85 site planned out at our kramer lane location, as an example, that will increase that again, but they don't generally drive significantly different distance out of their route or out of their direction they need to go to fill up with the e-85 as opposed to unleaded. This would be impractical and consume more fuel to do so. But that has gone up significantly. Currently over 60% of the city fleet is capable of burning alternative fuels and that number is going up from year to year as we replace fleet and burn -- or replace fleet and buy new vehicles.

>> Riley: So of those vehicles that are capable of using alternative fuels, what percentage of those vehicles -- of the fuel burned in those vehicles has actually been alternative fuels?

>> I don't have that number right off the top of my head.

>> Riley: As I mentioned the only number that I see for police at this point is just under 35%. So we don't know right now how we're doing on that.

>> That's correct. We could get that information. We can pull that out of the dashboard. I would just add just coke was just saying that in an ideal world 100% utilization of the alternative fuels would be the goal, but the challenge, as was referred to, is that would only be possible if the

alternative fuels was available at every single refueling location that the officer needed to utilize. And I don't know that we'll ever get to that point.

[10:33:14]

>> Riley: Sure. And I don't care anybody is suggesting that it should be 100% or that it could be realistically 100%. The question is what is the number? How have we been doing? Do we have any goals for getting better? And right now we're a little fuzzy for where we are on that. This purchase involves 97 vehicles. Of those are any hybrids? Would any of these vehicles be hybrids?

>> [Inaudible].

>> Riley: So we've looked at all of our fleet needs at and not identified any potential applications that hybrids would be useful for?

>> All of these units that we're purchasing at this time will be in the frontline police pursuit role or -- chief, you can address this better than i can.

>> These will be either frontline patrol cars or support vehicles for units like canine division and all of that. We do currently have hybrid vehicles in our fleet that serve in administrative roles. We have a prius models and we have ford escape models. So where appropriate we do plug into hybrids, but what you're seeing in front of you here is our patrol vehicles and our canine vehicles.

>> Riley: Looking at that dashboard I see 21 utility vehicles mentioned as being hybrid. Is that -- does that sound about right for the number of hybrids we have?

>> That sounds about right. That would be the ford escape model.

>> Riley: 21 Out of the 1254 vehicles.

>> 21 Out of the admin ones. From the total out of the thousand vehicles, the ones that are allotted towards administrative purposes, 21 of those are hybrid.

>> Spelman: Mayor?

>> Mayor Leffingwell: Just a second. City manager?

>> Just one thing, councilmember, that I wanted to add. As was stated, these are the replacement vehicles for the frontline patrol, but the chief and I have had conversations as we go into the budget process to look for opportunities because they do have some -- even in the sworn portions they do have like the techies and other areas that we could periodically look at as a whole when we go through the regular budget office to look for those opportunities. In this particular instance when we're replacing those frontline pursuit type vehicles and everything, we're limited, but we do look for those opportunities during the budget process.

>> Mayor Leffingwell: And I would just add that i don't think it's been mentioned, but this particular is one that has been designed as a police vehicle.

>> Yes, mr. mayor.

>> Mayor Leffingwell: They sell this vehicle as a police vehicle. And to meet the operational effectiveness needs of police cars, which is to me one of the most important factors. The second important factor being safety. My understanding is it's a no rollover car. It's designed not to rollover. I know somebody could probably find a way to do it, but it is a car that is extremely safe in the environment that police cars operate in.

[10:36:31]

>> Yes. This is a pursuit rated vehicle, mr. mayor.

>> So operational effectiveness and safety are in my mind the two most important things. Cost is a big factor, the overall cost. Hybrid vehicles used where that's appropriate, but keep in mind that if you are talking about cost, based on everything that I've read, hybrid vehicles are not cost effective over the life of the vehicle. The cost that you pay, the additional cost that you pay up front, factoring in the amount of fuel used over the life of the vehicle is still cheaper, still more cost effective to buy non-hybrid vehicles. Not that that's a controlling factor, that's something that we can work on over time. But again operational effectiveness and safety and the fact that this is designed as a police pursuit vehicle. Councilmember spelman.

>> Spelman:. One other question which maybe this is my confusion, maybe this is really cold water. The assumption we're making is whenever we've gotten an e-85 capable vehicle we ought to be running e-85 in it as much as possible. Because this will be reducing greenhouse gas emissions. johnson suggested that that may not be true now as much as it was when the tests were done that seemed to suggest that we got 15 percent fewer greenhouse gas emissions than with regular gasoline a few years ago. That may not be true. But assuming it still is there's another issue here, which is that current crown victoria gets poorer mileage with the e-85 than it does with gasoline. tests for the 2011 crown victoria has 19 miles per gallon for gasoline and 14 miles per gallon for e-85. Now, that suggests if we're talking about gallon per gaulish we're measuring greenhouse gas emissions that we're going to get better greenhouse gas emission results running pure gasoline or with whatever ethanol limit is. Running pure gasoline than we will be with e-85 because we'll have to use a lot fewer gallons of it. Is this something that anybody has taken into account or am I confused? Am I measuring greenhouse gas emissions properly or am I doing it wrong? Oomiaks a good point in regards to the difference on there and with the information on the dashboard it's hard to measure when you look at the e-85 that will be a lower per mile than gasoline so it does raise that one. So it is something that they look at and this package is just for the interceptors. We will be bringing forward in the future the next one now, which is light vehicles and sedans. It will have a mix of hybrids and fleet vehicles. It is something that the department looks at and looks at that data.

[10:39:43]

>> Spelman: On the sedans 5 or 3.7-liter engine? 5 is an eco boost engine, presumably gets better mileage, fewer -- it's been designed so that it idles at a lower rpm and therefore produces less emissions and better mileage.

>> This is the 3.7.

>> Spelman: We may want to look at the 3.5. I'm not sure there's a big difference between the two of them. Both claim that it will be better under police driving conditions. It's not 5, but in the sedan you are correct. It is something that we are looking at because distant does have that smaller one, but the other point that you made is very valid. This is the new V6 engine that has a variable. So when you talk about the mileage you're getting it doesn't always use that gas that you would normally use because of the type of engine it is and all of the companies and manufacturers have really listened to all of the public safety areas and have ramped up what they're doing with vehicles so when they're at idle they don't use as much fuel as the Crown Vics and some of the other ones do. So I think when you go forward I think a good statistic would be what are we doing once we get to that whole E-85. This won't eliminate by the way all of the vehicles that are not E-85. We're not there yet. We don't want to early replace those. You have to get that cost back. We're a couple of years away from doing that, but it is statistics that we do look at.

>> Spelman: And we need to look at the statistics and in particular even if it makes sense for us to buy cars that are E-85 rated if it does not under police driving conditions make sense for us to use E-85 and it makes better sense either because performance is better or because the greenhouse gas emissions net are lower to use, then that's what we need to do.

>> And ability does help and really it's one of those things where you have to weigh those back and forth.

>> Spelman: Last point I want to make is actually reinforcing the mayor's point. Ford has a huge -- basically has a lock on the police market for patrol vehicles. They're very proud of the fact that the vast majority of police vehicles nationwide are police interceptors. And when they decided to discontinue the Crown Victoria, it was an important thing for Ford that the replacement vehicle would work as well or better for the police departments as the Crown Victoria did. And they were proud of the fact that they claim that the SUV gets better gas mileage under police conditions than the Crown Victoria did. We should be getting better mileage with a better car. Thank you.

[10:42:42]

>> Mayor Leffingwell: I'll entertain a motion on item 50. Councilmember Spelman moves approval. I'll second. All in favor say aye say aye. Opposed say no. It passes on a vote of seven to zero. Now we go to item 63. We have one citizen signed up to speak and it's pulled by councilmember Spelman. Rick Ingle. Welcome. You have three minutes.

>> Council, thank you. My name is Rick Ingle and in this particular case I am the owner of Austin Java but I also own a number of other locally owned and operated restaurants in Austin. And I started speaking with Toner and his daughter about this project probably about a year ago. And I

was invited out to see the development, out there at the mueller airport and was extremely impressed with how far they have come along. And how exciting and interesting that development has become. And was honored when they asked the austin java to be a part of the development as far as the restaurant portion within the austin playhouse. So we're very excited about the project. We've worked closely with them on some of the different aspects of what that will be like, the experience and everything else within the development, and just wanted to speak in support of the project in general. And I'm excited to be part of that project. That's all I wanted to say.

>> Mayor Leffingwell: Thank you. Cedar fever has already started.

>> It's hit me hard.

[10:45:01]

>> Cole: I have a question. Did this project come through the bond taskforce?

>> I don't know the answer to that one.

>> Cole: I don't believe that it did. Do you have any we had so many projects, but I don't remember this one.

>> Mayor Leffingwell: I think you're thinking of the transportation project and the mueller area on 51st street maybe.

>> Cole: It has to be transportation?

>> Mayor Leffingwell: Well, I think it was.

>> Cole: Oh, was included. So this would be additional funding over and above that that was included? Maybe this is not --

>> Mayor Leffingwell: Maybe you need a staff answer.

>> Mayor Leffingwell: Someone from staff can answer mayor pro tem's question perhaps.

>> I think you're thinking of the 51st street vision plan which has -- which was totally separate from the playhouse, but the playhouse was not presented for consideration.

>> Cole: The playhouse was not presented, the vision plan was. It was funded and those two items are not corrected?

>> That's correct.

>> Cole: Okay. Thank you.

>> Mayor Leffingwell: That's all the speakers that we have. Councilmember spelman.

>> Spelman: I have a very small question. If we're -- what's missing from the resolution I think I may be implicitly able to figure it out, but we don't know what the funding gap really is. If somebody could plainly tell me how much of a gap are we talking about?

>> Mayor Leffingwell: Councilmember morrison may have an answer for you. All right.

>> Morrison: I think I can provide a partial answer and toner -- did I see him in the audience? He can probably add to it. But there is -- actually, there is not enough information, I realized, in the resolution to actually figure out the answer to your question.

>> Spelman: There are a lot of up to's and potentials.

>> Morrison: If that all works out it's laid out there, as I understand it, toner I would ask you to add to this with austin playhouse, if all that works out there would be a gap of \$150,000. But there are some -- there are two things in there that are tentative. One is the tax credit, 650 in terms of tax credits, and also the amount of the loan. It's the up to 2.8 million. It might be actually less. So the maximum amount of the gap could be somewhere larger than 150,000. toner, would you like to answer that?

>> I would. Thank you very much, mr. mayor, councilmembers. I'm don toner, producing director of austin playhouse. The last time I spoke to council was about 15 or 20 years ago when we were working on the renovation of the state theater. I was artistic director at the time of live oak theater. We partnered with the city on a three-million-dollar project to renovate the state theater. 9 million available in bond money that had been sitting -- languishing for about 10 years. And we put that together 1 million that live oak theater raised. This time we're asking for a great deal less. We thought we could actually do the project without city assistance. Here's where we stand. We have a promise from the bank of 2.5 million minimum. Could possibly go up to 2.8 million. We have raised already 5 hupp thousand dollars and spent it in soft costs. We are shovel ready today. We've gone through the permitting process for the site plan. It has been approved and we're almost to final approval for the building permits. What we're asking are the window, the gap, the minimum is \$150,000, the maximum is \$750,000. And that depends upon the bank, how far they're willing to go based on our cash flow, our history and all the rest, and of course the value of the project. We are only asking the bank for roughly 55% loan. So it's a good loan to value proposition for the bankers. We just need the boost from the city. Here's what it would do. It would allow -- it would give a message to the whole community, especially the bankers, that the city of austin is willing to help at least to some small extent get -- close that gap. We are certain that we can do most of it on our own, but we are asking the city to give us a modicum of help, and it could have a cap to it, to whatever extent the city felt comfortable authorizing financing.

[10:49:57]

>> Morrison: Thank you, mr. toner. And I think it's important to note that catellus is really excited about this project and very enthused about being at the table to talk about what kind of

financing options and to close the gap might be there. And I also want to mention that I appreciate staff. I know that they've already been working with the playhouse and have helped work with you on getting the loan and moving toward commercial financing and all of that. So I think there have been a lot of folks already helping, and this is just sort of one last push to see if we can't get this over the goal line, to use a sports metaphor, which I don't use.

>> Spelman: Congratulations on that. Toner, you last came before the city council 14 years ago to discuss the project. I was sitting in this chair 14 years ago.

>> Yes, I know.

>> Spelman: There are a bunch of ways we could do this. One of the things we had available to us in 1998 that we don't currently have available, I believe, is a bunch of money sitting around that had been left over from go bonds that had been past, but not spend. We're much better or worse depending on your political ideology at spending that money than we used to be. So I think this may be a little more difficult to find, but it's good to know what we're talking about. And I had heard numbers considerably in excess of \$750,000 on the high end so it's good to know that there's a limit on that number. Thank you.

>> Thank you.

>> Mayor Leffingwell: And I guess I would just say that this is only a resolution to explore options. It will come back if there is any additional gap to close. Motion to approve by councilmember Morrison. Second by councilmember Tovo. All in favor say aye? Opposed say no? It passes on a vote of seven to zero. Council, item 71 is an eminent domain item. I'll entertain a motion to move that the city council of Austin authorized use of power of eminent domain to acquire the property set forth and described in item 71 of the agenda for the current meeting for the public purposes -- public uses described therein.

[10:52:11]

>> Cole: So move.

>> Mayor pro tem so moves, councilmember Spelman seconds. All in favor say aye? Opposed say no? It passes on a vote of seven to zero. And I think we're a little overdue and we can go to our morning briefing on water conservation.

>> Morning, mayor, council. I'll cue up a briefing on water conservation here. I'll kind of get started here while they're bringing it up. Here we go. Austin water has had conservation programs for many years. Most recently it's been livened up in '06 and '07. The council sponsored a taskforce to really focus on reducing peak demand. In '09 another council focused resolution and subsequent taskforce focusing on reducing our gallons per capita per day or gpcd. And then in August 2011 council received a briefing from resource management commission really emphasizing the need and the desire for Austin water and resource management commission to work more collaboratively together, improve kind of joint understanding of goals and direction and after that briefing both from the Dais as well as some subsequent meetings

council really emphasized the need for austin water to return to the resource management commission and work and build those relationships in terms of understanding our direction of conservation. So with that beginning about a year ago the austin water utility partnered up with resource management commission and we started a series of meetings with a subcommittee that they formed. We met about twice a month and it consisted of commissioners,

(indiscernible) who is here with me today as well as commissioner christine commissioner hare krishna. For about the last year we've been meeting about twice a month and we're here to really report our progress on that. And really as we work that through, we focused on several key large goal areas. One, we wanted to make sure we facilitated ongoing dialogue to help inform the council on future conservation matters. We wanted to work to make what were some of these different taskforce and plans that were assembled over the last few years and consolidate and integrate those into a better understandable overall average goal and peak day goal plans. We wanted to improve overall transparency in terms of assessing the program and planning for the future and improve reporting both monthly, quarterly, annual, how we measure conservation and how we hold ourselves accountable for those programs. So we're here today to report out jointly those recommendations and kind of where we ended up on those. And with that I'll turn it over to chairman dealman.

[10:55:37]

>> Thank you, greg. I think greg probably doesn't take all the credit -- or actually probably understates. We came to y'all 18 months ago very critical of the water conservation program and of the water utility. And I think -- and I would also like to thank councilmember morrison for facilitating our dialogue with the water utility because I think it's gone a long way towards uncovering all the good things that the water utility has done. So like the director said, the first thing we did is he really wanted to understand what are we talking about with water conservation and how did these multiple and somewhat disparate council resolutions come together towards a single water conservation goal? So that was a lot of the original discussions centered around the conversations on those goals and how they integrate together and how they overlap and how we could put together a single integrated goal that could stand in perpetuity that we could use as the measure and as the go by and boundary conditions for future water conservation programs. So that came out of that dialogue with the water utility and the resource management commission and i appreciate the staff's time and the director's time that we've done to do that. It's been very fruitful. The other boundary condition I would -- the other two things that we kind of went into the conversation with was the commission is not real interested in telling the water utility how to do their business, how to operate the water utility. We are interested in understanding how they're operating, understanding how cost effective the programs could be and are they meeting the goals that the council has put towards them? And then advising council on their progress towards those goals? And again, the discussion centered around that conversation. And then lastly, we really -- I've embraced, i guess lucia has brain washed me, but that triple bottom line approach to sustainability and water conservation in particular. Okay, is it good for the environment? Is it cost effective and are there social equity? Does it address social equity? And is there a balance between those as we're making our decisions about water conservation? So everything that we've built in to this presentation and into this proposal is has kind of taken those things into account. Lots of times in lots of very good conversations. And you'll see that what we

didn't realize 18 months ago is that the water utility has made very good progress towards these goals and continues to make progress and has a plan for future progress in these goals. Last week in the cmo I got lost in the presentation, so you could say I'm a little bit technology challenged. So like I said, the first thing that we did was really to try to consolidate the conservation goals and understand that we have a peak goal and we want to reduce that peak. And why do we want to reduce that peak not only from a water conservation standpoint, from an operational standpoint. What are the demands on the system, what are the demands on the utility? What are the capital demands associated with peak use. The next goal was centered around average daily use which really becomes a behavioral based program or addresses behaviors of the customer classes. How do we reduce use not only to 140 gpcd, but below it. The last goal really centered around -- and this gets politically sensitive is deferring the lcra payment trigger. It's the raw water cost. And I think the mayor actually addressed this in his comments 18 months ago is we've prepaid water. And when we reach a certain trigger than we will have another payment, and how do we delay our how do we using both the peak goals and gpcd goals how do we delay or defer that payment a little bit longer into the future while the city grows and those kinds of things? So putting together this -- we generated this unified plan that tries to accommodate and tries to address all of those goals and then the plan is to look at the programs that we have in place and which of these goals they address and how well they address them and what metrics we're going to use and how we're going to report that progress towards those metrics of the. So those are the goals that have been provided in an executive summary to council today. We're willing to entertain any questions that you guys may have on those.

>> Mayor Leffingwell: Yeah. Just to elaborate a little bit on the trigger, and i hope this data is still good, but the way it works is in 1999 we prepaid for water, guaranteed or firm contracts through the year 2050 for up to 325,000-acre feet of water per year. That improved our state law guarantee or run of the river rights which is 150,000-acre feet per year. To put it in perspective i think we're around 170 or so use now, 120,000-acre feet per year, but the contract which gave us the firm rights for up to 325 through 2050 was conditioned on a so when we hit 201-acre feet per year for two years in succession, then we have to state paying market rates for all the water that we use above our run of the river rights of 150,000. At this time back in 2006 when we addressed this issue, it's only an estimate and it depends on what the market price is at the time that you reach the trigger and that can change. And it would save \$14 million a year for every year you can put off reaching that trigger. Just to flesh it out a little bit. I tend to use too many numbers, but I think it puts things in perspective.

>> Thank you, mr. mayor. I think greg has a graphic later that will actually graphically illustrate what you just explained to us.

>> Mayor Leffingwell: Oh. I thought you were calling for questions and you were all done.

[Laughter]

>> we could be! So I guess the first item is we talked about improving program transparency. Why we're doing things and are they cost effective. So in -- towards that goal we've developed, we worked with staff to develop over 30 fact sheets that kind of digest the 50 strategies that we currently either have in place or we plan to have in place. Each one of those covers water

savings, cost estimates for each strategy, the assumptions that we used, the schedule that we're going to undertake for review, and how routinely we're going to review and update them. The other thing is that they will be the basis for the metrics or the measureability of the effectiveness of those programs. And how -- we'll be able to evaluate and report on those on a quarterly and annual basis. The next slide is a program digest example, so if you see this we have -- okay, what's the unit that we're measuring. In this case this example is for the clothes washer and commercial laundry facilities. The units are on a washer basis. The peak savings is 15 gallons per day. The average savings is 15 gallons per day. And what's the estimated unit cost of implementation of this measure? And what is the gallons -- the dollars per thousand gallons saved for that measure? So that we can compare cost effectiveness over the life of the program and as that cost effectiveness begins to decline, we can understand how we might change the program, how we might phase that program out and those kinds of things. So that's the purpose of the program digest that we've put together. And it provides you a very ready -- if somebody questions why are we doing this, it provides you a very ready source of information to say here's all the facts. Like I said earlier, the program reporting, how do we report, how do we measure? Those are kind of established in these digests and then can provide the basis of are we meeting what we projected in the digest, are we not meeting them? How might we massage those programs to better achieve it? And really how confident are we in the numbers that we've got? So we'll be able to do that in an quarterly bays on some -- basis on some programs and an annual wrap-up on some. I think I'll turn it back to greg here.

>> As we wrap up, we thought because we've been talking about these three core results and goal areas, peak commands, gallons per capita per day and monetary value through delaying the trigger, we'll give you a quick state of affairs in those three goal areas. Let's talk the peak first. Obviously that has been a central goal for the last five years. The council taskforce that the mayor was on, councilmember riley, i believe councilmember cole, others participated along the way. We've been very successful here. This graph shows kind of our peak demand charted against population and the council originally identified 32 million gallons of peak savings that we were to achieve over a 10 year period. You get at least 250 or 25 mgd of that and we've really achieved all of that goal in the first little over five years of the program. So again, excellent progress in terms of peak reductions for us. And it doesn't stop there. We're going to continue to monitor peak. We set a long-term goal that we'll continue to work with resource management commission to measure peaks. We'll have the measure of average day demand into our maximum one day demand and that's a great long-term measure and we see that continuing to decline into the future and we'll have programs targeted to see that we continue to manage peak. On the gallons per capita per day side, really more of an average day demand goal, we've made really excellent progress particularly over the last five or six years we've seen gallons per capita per day drop by over 13 percent over that period. You can kind of see the blue line is the gallons per capita per day each year and then the numbers show some of the recent years. And then the central red line is the five-year average which smooths out the highs and lows and gives you more of the central tendency of gallons

(indiscernible). You can see for many years it was flat. The red line here more recently it's gone into a nice decline as we've been implementing various programs to reduce gallons per capita per day. And as you all know, we have a goal to get to 140 by 2020 and that's one of the key goals we'll be reporting back through rmc in the future. Really again excellent progress there. We just

finished our fy 2012 and we're at 142 gallons per day in 2012. So a drier year, we had a very low gallons per capita a day. It shows a lot of progress. We're 10 gallons per capita a day below where we thought we would be in our goal to get to 140 by 2020. We're ahead of schedule in terms of our 140 goal where we are now. And it goes up and down a little bit each year depending on weather and other factors, but we want that central tendency to be on a downward path. We talked earlier, he talked a lot about our trigger goal, so we wanted to fold that in to our portfolio of outcomes because that measures total pump acknowledge in a year and there's a strong monetary value, strong savings connected with that. Every year we can postpone our trigger, stretch out our prepayment of water that we give to the lcra the more value for the voters that they gave us in 1999. So you see a total pump acknowledge each year flattening and slowing down of that based on historical norms and that's really good for us financially. We've calculated that our conservation programs of the last few years where we made a change in the average day demand, that has postponed our trigger payment an additional seven years. We once thought we would be needing to pay for water again right around 2020 to 2022. We now see that postponed about seven years. And from a net present value perspective, that's added an additional \$95 million of value to our ratepayers by postponing that trigger an additional seven years for lcra payments through our conservation programs. And lastly we have a pie chart of the mixture of conservation programs you have. If you looked at this chart five or six years ago the biggest pie slice of what incentives where we were asking people to change out washers or other things. But when you look at it in the future it's a much more complex mix of strategies. Really incentives are a fading part of our conservation portfolio. We've run the gamut of most of our incentives and really it will be a much more mixture of programs, pricing signals, through inclining rates, our operational issues where we're repairing leakages. Regulatory changes. Regulatory changes in terms of how you water your grass, when you water your grass, how long you water your grass and other such programs. Our reclaimed program. So again really things that are embedded in the fabric of the utility across all of our areas, operations, not just basic incentive programs. I think it shows a very healthy approach, a robust approach to conservation into the future. And again, this just kind of captures everything we said in terms of the goals and the textural format. As I would say in conclusion, very pleased with the work that our two teams have done. I think the last few months the weather demonstrates the need to have effective conservation programs and we're pleased that that's being done on a solid foundation working with one of our key commissions. We've identified ways to improve our overall reporting. I think we've taken steps to enhance transparency and we have clear goals and measures that resource management commission is going to be able to collaborate and advise the council on in the future. So I'm optimistic about the future in terms of these programs. And with that questions for either chairman dealman and i, we'd be happy to answer.

>> Mayor Leffingwell: Looks like I was a little off based on the numbers you gave us. 6 million, not 14 million.

>> Give you a little leeway, mayor.

>> Mayor Leffingwell: Any other questions? Councilmember morrison.

>> Morrison: Thanks. I really appreciate the work. I do have one technical question. On the slide where you were talking about the financial benefit to putting off the trigger, I think you had a

dollar figure. That's pretty substantial? Does that savings get integrated into the calculation of how -- of the cost benefit of a particular conservation approach?

>> Yes, we are considering those kind of benefits.

>> Morrison: I appreciate the work. When an important commission like rmc come together with council with a joint recommendation it's very powerful to me, especially one with a record, the history that you guys have. So the question I have is has this changed any of our actions? Or do we expect it to? I think we'll be looking at our conservation plans and it will adjust perhaps -- we will adjust perhaps based on the new information and transparency. Has it done that yet?

>> It's shaping our programs. As I indicated in the pie graph, that again a few years ago a lot of our programs were purely incentive based, rebates based. Those programs are being phased out more. We've been looking at ways more collaboratively with resource management to get input on like how we go about, say, auditing different accounts. It is ongoing dialogue that shaping our programs. I think -- I don't want to speak for the commission, but I think they have a better understanding of where our programs are going, why we're making certain decisions, what we've committed to give them up front notice on things or when we're going to do something so that they -- often as you well now, we would get to the council and resource management commission and say don't do t we would be saying do it, don't do t we don't want those kind of things to happen in the future. To the maximum extent possible. Sometimes we may agree to disagree about something but we'll do it in an agreeable manner or something that we're trying to both understand the side of t. I think the other thank that we've accomplished here is by creating some of these digest sheets and a better history of our conservation programs, where we've been and where we're doing is we get new commissioners and they'll be able to come up to speed sooner because that's one of the challenges. A new commission will come on and how do you catch them up with what's going on in conserve over the years -- in conservation over the years.

[One moment, please, for change in captioners] and so that's really where we're heading with this. And we also want, I think the way it's changed, we want as we consider new programs the burden of proof, those fact sheets, that cost effectiveness evaluation, that social equity evaluation, those environmental all need to be transparent and as we go through as well as need to be measurable so that if they are declining in effectiveness, we can spend our money more cost effectively and get more effective water conservation measures elsewhere. So it's changed the way i think we think about it, not necessarily what we've done, maybe what we will do, but i think it's established a good -- I guess a common purpose or unity of purpose between council, between the commission, the water utility, the city manager's office for why we're doing certain things.

>> Another example that's going to be coming up in january, each year we're going to do an update and how did the programs work through last year and our plan for the year and that's another way that we help shape those kind of programs. Certain programs aren't working, here's new programs, are we achieving the outcomes that we want so there will be a way we're shaping this over time.

>> Morrison: It sounds like it will add to our productivity because i recall sometimes over the past several years when there have been discussions about should we be doing this or that with conservation money or adding more conservation money and not feeling like I had a lot of basis for being able to make that decision. And I guess I just wanted to comment that it's clear that austin was ahead of the game with the conservation task force that put together some really terrific steps where we have found and managed some good success. It's clear that the rest of the state is getting on board with we need to be talking about water, and so I think this puts austin in a terrific position to be able to be sort of taking our efforts to the next level at a time when everybody in the state is going to be participating in this conversation. I congratulate you.

>> Mayor Leffingwell: Councimember spelman.

>> Spelman: Thank you, mayor. Greg, I'm going to apologize in advance for pointing this out but I really don't have a choice. I was looking at this graph which you've got in -- which one is it? A bunch of them would work, number 14 is probably pretty good. Graph number 14. There was -- yeah, that's it. When we had this long discussion you probably remember, we talked about this water treatment plant that's under construction right now, and the assumption that you and your staff were making about water usage was it had been HIGHER IN 60s AND 70s, Starting in 1985 when we started water conservation, there was a drop and flat since 1985 and continue to be flat in terms of gallons per capita per day and total pumpage was going to have to increase with population. The assumption the environmentalists were making was, no, with additional conservation we can cause that gallons per capita per day to go down, maybe not as fast as population is going up put to but a damper on the toe tale peak pumpage. The environmentalists were right and you and your staff were wrong, I just wanted to point that out. Because you have done such a wonderful job with conservation and I'm happy you are wrong and if you want to say you are happy you were wrong this would be a lovely time to say so.

[Laughter]

>> one day I'll be able to stand up here without

[indiscernible] coming out, but I think that -- we're achieving conservation goals and we're achieving the goals more than I expected and to the degree I was wrong about how capable we were of that I'll admit that. That's not quite a I'm wrong, but --

>> Spelman: If you had to be wrong about something, underestimating your own competence and I think you and your staff have done a wonderful job. I do have to point out you've had this wonderful marketing tool called an empty lake travis and anybody who drives by said i better be careful how much water I'm using because there's not nearly as much water. I needed to point that out. Let me ask a couple more specific questions. This is going forward variety. On your graph on -- I don't see a number on this -- strategy, there's a pie chart where you are talking about sources of -- that one. How we came by the kind of results we've got so far. And I notice we have percentage numbers. How do those percentages come about? How did you estimate what those were?

>> I might ask rema to come up. Our conservation manager.

>> Good morning, mayor and council. The savings by strategy that you see up here is based on achieving 140 by 2020. Based on the target line goals. We use a program that's developed by the alliance for water efficiency. They call it their program tracking tool. It allows you both to track participation and update that every year as well as project forward what our savings are going to be. So what we've done is taken our mix of strategies, entered that into this tool and used that to say we think this -- this particular participation rate is going to save x number of gallons. And that helps us develop the strategies. The education portion that's shown up there is a 1%, that's thought to say that's what we're going to spend on education or anything, it's really just a token to make sure that that's part of our mix. We don't measure an education strategy in terms of gallons per day. It supports all of the other programs.

>> Spelman: S is not how much money you are going to be spending but likely results.

>> Correct.

>> Spelman: And 39% we're expecting -- this is future oriented, not past oriented?

>> I'm sorry?

>> Spelman: Is this expectation for future or explanation for the past?

>> It's sort of both. It's an expectation for the future based on what we've seen the last several years. For regulation we're talking not only about watering restrictions and how successful we've studied those to be, but also changes in code in terms of requiring certain equipment, changes in irrigation design and other requirements. And as we go through with the digests and conduct those annual reviews or sometimes, you know, every few years reviews based on our confidence in those estimates, we're going back and modifying this tool. This is going to be a changing perspective or a changing picture as we move forward. But it does reflect, for instance, that 11% for incentives reflects things that have already been put in place. Continuing to save. So the future percentage of that incentive is smaller than 11% in terms of what we expect to give to commercial buildings in the future.

>> Spelman: So averaging between what we've done in the past which is much more incentive based than where we are now and much more in the future, 11 is sort of a middling point.

>> I would say 9% is past incentives. Things in place now. When you are looking forward, that slice is going to be smaller.

>> Spelman: Considerably smaller it sounds like. Help me parse out that rate of 20%. Where did that come from?

>> We had a research analyst on staff, unfortunately he's now moved to another department, but there was a study in conjunction with our finance staff to look at pricey last tystie and what we were achieving. When we looked at different rate studies for recommendations as part of that task force, there was an estimate made on just what having a block rate structure would do.

We've combined that with the natural incremental price of, you know, average price paid for water and used price elasticity to say that's probably 20% of total savings by 2020.

>> Spelman: What elasticity did you use overall?

>> I'm not 100%. I can get that number to you. I want to say it was 17, but I would much prefer to send that information to you after.

>> Spelman: I understand. That number is lower than i would have used myself, but it's very consistent with the number dave anders has been using to estimate what the total revenues of the utility would be. And I think it's good that we got two consistent numbers being used.

>> Yes.

>> Spelman: The only -- i think is nice about your doing that is that it extends -- let me ask the question because I think i know the answer but I should probably verify this. Am I right in presuming the vast majority of the stuff on this pie chart is oriented towards residential customers and not industrial customers?

>> I would say it's balanced. The rates that we look at, i believe this only includes the impact of the residential rates. However, regulation also includes commercial watering schedules. The new incentives particularly and certainly our reclaim programs are all focused more on industrial and commercial going forward.

>> Spelman: I would imagine the rates would -- the elasticity for commercial and industrial customers would be higher although it's harder to estimate because you don't have as much information.

>> One of the things is right now our commercial rates are only on peak and off peak and the difference between those rates is much smaller. I think as we go into the future and we see those rates start to increase or look at other rate structures for commercial, that that will definitely be a factor. But what we see in the residential sector is these very steep block rate structure that is the biggest part of the pricing incentive. Commercial customers generally have a lot less flexibility in how much water they can use; whereas a lot more residential usage is discretionary.

>> Spelman: Sure. If you find yourself in the wrong block you can back off a little bit a few minutes a day and find yourself paying a lot less for water and you can't do that if you are manufacturing semiconductors, for example.

>> Right.

>> Spelman: I've been given to understand that something like 1% of your total operation is oriented towards commercial and industrial sectors. Could you give me an estimate about what percentage of your activities are oriented towards commercial and industrial?

>> That's an area that we're trying to boost up right now. Several years ago we had a staff member who was focused primarily on commercial and industrial. And we've brought him back temporarily as a consultant to try to help us revitalize that program. Since we don't have one person dedicated on staff, we have a couple of people who work on it periodically, but we're definitely trying to increase and find ways to maximize participation in that sector. We had a potential contract rmc had questions about and we've gone back to the drawing board to look for more cost effective ways. We're talking with other cities about what they've done and watching closely fort worth has a very similar contract to what we proposed and they are coming to meet with us next week and I imagine that will be one of the things we talked about in sharing how is this working for you.

>> Spelman: One other thing you might do, you may have already thought of it, is working with particularly people who are running office parks, running shopping centers and asking them how they've dealt with the increase in water rates over the last few years. And I imagine some of them are on top of that and have implemented some things which could be forwarded as better practices if not best practices to other office parks and shopping centers.

>> A great idea. One of the key areas for those particular types of buildings is outdoor water use. And with our recent code changes that came back in august, there's now a mandatory facility audit that would require those types of commercial facilities to have irrigation audits submitted to the utility on a regular basis. We believe that those will show a lot of potential for investment and improving those irrigation systems.

>> Spelman: I agree with you, I think that's a really good idea. And I would expect that we would get substantial savings from doing that. Is there a way of estimating -- I mean a pie chart like this that instead of looking at the strategy looks at the customer class that we're actually getting our reductions from?

>> Yes, sir. We can take care of that.

>> Spelman: I would love to take a look at that. That would be great. A related question but slightly different, I'm given to understand that the cost per thousand gallons, which is one of your benchmarks that you use to see how well you are doing, are based on the utilities cost and those don't necessarily include the co-production costs borne by the user. If, for example, I'm going to be landscaping, I'm going to change my landscaping to something which requires less water, I'm going to have to change out my plans. I'm going to replace them with something that is more drought resistant. I'm going to have the pay for the plants. Is that something that you take into consideration when estimating cost per gallons saved?

>> We are looking at what's the benefit to the city. I believe that's something that absolutely can be taken into account with marketing materials and encouraging customers to participate. One of the issues with the example that you've raised is that the costs can widely vary depending on whether or not you are going to hire someone, what your own expertise is, you know, and whether you are sort of the home gardener who really wants to do this slowly over a period of time. So there's a the look of variability in something like that. There are others that are much

easier, if you are replacing a piece of equipment, there are e.p.a. Standards on you are going to save this much per year.

>> Spelman: But a lot of this stuff is co-produced. I'm going to -- whatever you are talking about doing too and a complete estimate of the social costs would probably include both of those two things. I understand it's going to be difficult for us to estimate, but if you are having to estimate for marketing purposes anyway just having even under an asterisk and footnote a sense what it is you are expecting from the public to add to this stuff that the is doing through the utility to achieve these savings would be a very helpful thing to do. If you are not doing them anyway, I'm not sure i wanted to ask you to do them, but since you already volunteered, I'm just asking you to put it in the footnote. We've spent a lot of money -- the other thing about this graph is the relatively small pie slice for reclaimed water given how much we've spent on reclaimed system. Is that likely to get bigger and if so what can we do to make it bigger?

>> I would say absolutely it's going to get bigger over time. This is just what we expect to save through 2020. One of the things with the reclaimed water system you've got to build that out, get infrastructure. So a lot of things that are being built now may not have customers until 2016, 2017. So what you are going to see is a rolling motion as the reclaimed infrastructure grows and begins to hook up customers, but it may not be in this relatively short time frame over the next eight years that it will show up here. But if we were to do this out to 2040, I'm not volunteering for that, the -- that purple slice would absolutely get bigger.

>> Spelman: If you volunteer to do this you also have to volunteer to operate this program for the next 28 years. I'm pretty sure you wouldn't be able to do that.

>> I've only got 11 in. I'm going to be here for a while.

>> That 14% is going up but it's going to take us a while to get there.

>> Yes, sir.

>> Spelman: Even in the next 5 or 10ers 82 as the university of texas comes online.

>> Yes, sir.

>> Spelman: Last question. A lot of this looks like -- there's two ways of estimating the value of conservation. One of them is top down. Just by looking at our track record over time, how many gallons per capita per day are we use, how many peak gallons are we using year by year and verifying some of those metrics are going down as they have been that suggestion we're doing very well. Another way of estimating what's the takeup rate on each of the individual programs. And how much reclaimed water are we slling, how many people are taking advantage of rebates and so on and we add that all up. Have we ever tried to add up the value we're getting out of our programs and compare that with the value we appear to be getting out of reductions to see that those two numbers match up? Is that -- is that clear what I'm getting at?

>> Not sure. You mean like a math balance kind of?

>> Spelman: THERE'S TWO Ways I know we're conserving water. One way I know we're conserving water is we're selling less water per person now than we were 10 or 15 years ago. And that number has gone down pretty consistently for the last decade. That's one way I know that. Another way I know that is that we have these programs where we're giving people rebates on washing machines and they are taking advantage of the rebates so I know there's a bunch of washing machines using a lot less water per load than the washing machines people had before. And if I add up the value of the washing machines and all the other things you and your staff are doing to try and conserve water, I add that up to get a sense for how much water we ought to be conserving if all that stuff is working the way we think it is, and I compare that to how much water we're not using now that we were using 10 years ago, are those numbers roughly consistent with one another? If you haven't done it, you haven't done it.

>> That's one of the things that's on the transparency digest that we've created is either a cost per thousand gallons or cost per peak day reduction. So different programs will target different metrics. And for each of those we've provided rmc with some general benchmarks that show in the case of the average day reduction what it costs us to pump and treat water and what the value per gallon is of delaying the lcra payment trigger. And so when we propose a new program to rmc, the idea or we revisit an old one, the idea is that we look at those kind of metrics as a benchmark. If something falls outside of that or more expensive we'll have some underlying reason to do that. Maybe it serves a sector not otherwise served by conservation, there's some other social need or it's a pilot where we get an educational or a research benefit from trying something new to see what works.

>> Spelman: Right. So we're selecting our programs on the basis of the benefits cost ratio.

>> I don't think she quite answered your question, but what I understand I think that you asked, councilmember, is that one way to measure that is participation and the participation, how many rebates have we awarded.

>> Spelman: Right.

>> We're going through the same thing with austin energy and their rebates on efficiency. We've had that debate with them in a lot of meetings about the energy efficiency program. We've actually had this discussion in the water conservation programs. You can estimate -- it's just like the mileage discussion with the police department on the police. rating is 17 gallons -- miles per gallon. The savings on a washing machine, aerator, shower head, whatever, can be estimate, but it's highly variable depending on behavior. And so we can -- we can estimate it on an average and ground truth it towards what we're seeing and i think that's what you are asking.

>> Spelman: Let me tell you what I'm getting at. Everything you said is absolutely accurate. Even if -- even if we had lots of people using -- using low flow shower heads, I know a bunch of ways of defeating a low flow shower head or I could trash it and get a regular high flow shower head if I felt like it and you wouldn't know about that. But the big question I'm getting at is we're doing a lot of stuff, spending some money, think we're accomplishing results, sounds like we very much are, but can we take credit for some, all, some, how much of the credit can we take for that reduction given we know that at least some of that reduction is fueled by people

spontaneously saying gosh, i should not use as much water, look at lake travis, this is craziness. There seems to be a social movement going on at the same time that you guys are doing such good work.

>> Right, and I think one of the programs that if you look at that 1% on the pie chart, the education program, it's that awareness of the populace on how to do those -- that conservation. And there are programs that are a little bit harder to measure cost effectiveness. Because we measure, okay, how many people attended, but we can't really measure how many people that attended went back and enacted a change this their household.

>> Spelman: Yeah.

>> I mean, I totally agree with what you are saying, it just a very -- that's probably one of the most difficult conservation measures to measure cost effectiveness.

>> Spelman: The reason i mention it is because while we were doing all this wonderful work and while we're giving incentives and regulating, using reclaimed water and a lot of other things which are measurable, there's something else going on which is we're in the middle of a drought and a bunch of people I think are spontaneously responding to the fact there's no water in the lake or doesn't appear to be water in the lake, it feels like a good time not to use very much water. At some point we're going to be out of the drought and your programs are going to continue. Can we expect when your programs continue and we're out of a drought we're going to get the same results or will there be a rebounding effect? I've got a low flow toilet and better washing machine, but I'm going to turn the spigot on my landscaping because there's water in lake travis to be used.

>> My answer to that would be two-fold. One is as far as a rebound effect from the drought, we've been in some stage of drought since 2008. And yet the gpcd and the peak day have continued to decline.

>> Spelman: Yes.

>> Despite huge rainfalls in 2010, which, again, probably -- or 2011 which 2011 contributed to reducing landscape need, threat still haven't gone back up. I think one of the reasons is we along the lcra and other folks have been more effective as using the drought to underscore the need for permanent conservation. And you know, we'll talk as water conservation managers how conservation and drought response are not the same and yet we use a lot of the same tools in the toolbox to address both of those issues. What my hope is with this continued education we can prove to the public how necessary it is to stay vigilant about water conservation so our drought response does not have to be so severe. That's a message that in our public outreach process for the recent code I think was heard and made loud and clear is that let's do more up front so that when we get into a very severe situation it doesn't have to be as drastic. The other question you had about, you know, defeating some of the equipment, I did want to mention that we -- we participate in a number of national groups and studies and they periodically go back, it's been a while since the last one, but there's a residential end use study where they go back in and physically check and see where water is being used in a home. They are in the process of

updating that. We're in a partnership with them now and we do try to the extent possible to look at research and studies like that to determine free ridership rate as well as comparison between the estimated and actual savings seen in a home.

>> Spelman: The way i should think about the drought, this is not a temporary condition from the point of view the vast majority of the public and use of water. Once it's released and the water comes back in the lake, it's party time, but this has called fairly long-term changes in people's tastes, their procedures, their willingness to use lots of water. Part of it is something which we can attribute directly to your program, part of it is

[indiscernible]. And when the water shows back up in the lake again and we're out of the drought, gallons per capita per day are likely not to jump back up, they are likely to stay just about where they are.

>> That would be my expectation. The things you see up here on the graph are the tools that customers who are part of that [indiscernible] can use.

>> I would maybe just clarify just one point. We are in stage 2 restrictions, when we would go back to stage 1 you would probably see modest return of people watering a little more but I think some of it is going to stay for a while.

>> Spelman: Part of that is because it's illegal to water twice a week and part of it is because we're sending social signal. It's now okay to water twice a week. It would be okay in the future to water twice a week, now it's not okay. And I think social signal is a heck of a lot more person than the potential that somebody is going to turn you in and you are going to have to pay a fine for it. Thanks very much. I appreciate your help.

>> Mayor Leffingwell: Well, first of all, everybody has got their own opinion about why. It is true that we've done a lot better on water conservation over the last few years than we expected to do. But still going forward, it's only a prediction. As yogi berra said predictions are very difficult especially when about the future. And a large part as councilmember spelman I think accurately pointed out, there is a question about the psychology, the fact that the lake levels are down and we're constantly bombarded by 24-hour news media that, quite frankly, has hyped that situation a lot. Our lake levels in travis and buehler, which are by the way storage lakes, are very low, but they are not as low as they've ever been. Both of those lakes were lower in 1957 and again in 1963 than they ever got in 2011. Than they are today. And we've seen a lot of up and down. Right after 1957, for example, the lowest those lakes have ever gotten, the graph -- a graph shows that they shot back up in the space of about a year or two to where they were at the maximum level at the spill way. A few years later it goes back down again. So droughts are not new to central texas. Obviously we have to pay more attention now, we have a much bigger population. Another factor that is different is there are other users of the colorado basin water than there were back THIS THE EARLY '50s. There have always been some agriculture uses but those uses now are a lot bigger. In 2011, for example, agricultural uses, which are interruptal contracts with the lcra, were about 480,000-acre feet per year. That's an estimate because it's not metered or measured. There's a suspicious it could have been significantly more than that. Compared to the city of austin which, as we just said, was about 170,000. If that 480,000-acre

feet in 2011 had not gone downstream, lake travis would have never got below a million acre feet. Lake travis, lake buchanan combined would never have gotten below a million acre feet of water. It would not come anywhere near approaching the levels that we saw back in the -- in '57 and '63 and several years since then in that interim those levels have been likewise low. So I think the visibility, though, that we see, the increased scrutiny, the increased -- I want to say media hype but I probably shouldn't say that about the lake levels has affected the psychology and it has encouraged people to conserve more. Whether they will return when the lake levels go back up, whether that will change and consumption habits will be changed, increased, nobody knows. I personally think there will be some rebound on that. We don't know what the amount is. The other fact -- and this doesn't really have anything to do with conservation, but it's again talking about the agricultural uses downstream which are very much in the use now and will be more so in the days ahead. Because those are interruptible contracts they get a very good price on that water as compared to everybody else. Municipal users like us, if we were paying for it, if we were above our trigger at this point, would be paying about 25 times as much for water as the ag users are. That's because their contracts are interruptible and they have been interrupted and it's going to be very important that interruption continue as we go into next year as all the weather predictions are this drought may be even more prolonged. I have to just say one word about yes, our projections right now are lower and it looks like now we're going to go a longer time without hitting our trigger, it looks like we're going to go a little longer time as far as the actual capacity need for an additional water plant, again, that was the decision to -- to build a water plant was based on the predictions at that time. Now we have a different prediction. Who knows what it's going to be in the future. But the point is we do need the water plant. The exact year we don't need that capacity is still unknown but it's better to have it than not to have it. And the other thing is there are a lot other reasons to build a plant that had to do with redundancy, 50 to 60-year-old water plants located just basically co-located across lake austin from each other which has a lot to do with redundancy and safety, but it also had to do with reducing our carbon footprint. And I hate to get all the way back into this and this is all I'm going to say about it, but our projections are that we'll reduce our carbon footprint about 13%. Water from lake travis, water plant 4, as opposed to the two water plants on lake austin. That is a significant reduction. So at the risk of reopening the dialogue, I felt like i had to say that. Councilmember spelman.

>> Spelman: I was only meszaros good natured grief. I think it's appropriate you give me grief too.

>> Mayor Leffingwell: Oh, I did want to say one more thing.

[Laughter] it doesn't have to do with that. I do think it would be useful at some point, perhaps not today but at your next briefing when you come back here, to go a little bit more idepth on the things that we're doing for water conservation that came out of 2006 plan. Because there were -- i think there are still significant savings to be realized as the population grows because a lot of it was forward looking instead of addressing what's on the ground already, for example, we said that future turf areas would require deeper top sale. Based on the san antonio model, for example, it required four inches for residential turf areas. Didn't work too well for them. We require six inches of topsoil. That will need considerably less water. In addition to that, there's been discussion about what types of grass. We addressed that also. We said all new turf areas, new turf areas would have to be grass that has dormancy characteristics. There are a lot of things

that went into that plan that I think here we are six years later people are kind of for getting about. I heard washing machines addressed. Home appliances. Big factor. That was also addressed over time that dealers, people who sell washing machines would be required to, once they expend their regular stock will be required to use more efficient machines available on the market. Just a whole -- we even got into the kind of equipment your dentist uses when he asks to you rinse, we're talking about more efficient equipment to do that kind of thing. So I do think -- commercial, that was a part of it. Those commercial audits, that was part of the 2006 plan also. I think it would be useful to maybe have an indepth analysis of what that plan actually called for because a lot of it has -- it's to be implemented over time. Councilmember riley.

>> Riley: Greg, I want to thank you for all the information you presented and for all your ongoing work on this as well as the work that all of your staff and fellow commission members are putting into it. It's great to see this kind of success so I want to congratulate you on it. Just a few points and questions. First I want to concur with the mayor in suggesting it would be helpful to get an update on where we are on plans for additional strategies in line with the recommendations of the water conservation task force dating back to 2006. And I know you've done a lot of fact sheets on dozens of those strategies and it would be helpful to get some overview of what lies ahead, what additional measures that we expect to be undertaking in the near future. I think that would be valuable. I want to come back to this pie chart that's currently on the screen. And come back to a couple questions expect asked about that in reference to the reclaimed slice of that pie which is now at 14%, and that is -- we think that slice is likely to be growing in the future, unlike, say, the incentive slice. It's expected the reclaimed will be more and more important part of our conservation strategy going forward. Did I get that right?

>> Yes.

>> Riley: Okay. Then during the last -- the budget discussions we had a few months back, a couple questions came up about that strategy and I just want to circle back. Greg, I know you've been to get connections made to their chilling station. And we were talking in particular about chilling station number 3 and number 5. The line physically made it some time ago, but we've had some difficulties actually getting them all connected up so they are using reclaimed water in their system. Could you give us a quick update on that is this.

>> We are routinely and , as a matter of fact, we set up quarterly meetings to help them convert to reclaimed. I believe the first chilling station will be switched -- either switched to reclaim or will be by the first of the year. Really the challenge with conversion for like at u.t. Is that they have many, many decades, sometimes century old piping systems that kind of wind through the campus almost like a spaghetti works and you have to make sure before you convert that you are isolating those systems and can demonstrate they are isolated from the regular drinking water system so you don't get cross contamination risk. That's been where we've been focusing with them and we're going to continue that focus well into the future and march through the campus over time as we're converting irrigation systems and particularly cooling towers. That conversion process will be high priority for quite some time. We're looking at industry best practices for converting to reclaimed and gray water and what's the right kind of mixture of protections and how do we facilitate that without endangering public health or safety and that will be wrapping up in the month ahead and will help us streamline some of our procedures in the way we go

about working with folks to integrate and change over to reclaimed. I think in the future with reclaimed one of the things we see beyond building new assets is what you are getting at. Taking the asset base we have because we've invested a hundred million in reclaimed and leveraging that. We have probably 100 miles of piping systems and we want to make sure as many possible customers that we can have hook up to that hook up to that before we go out and create new assets, let's get the most we can out of what we've already put in the ground. Not only reclaimed but -- or u.t., but other users. For example, we're coming in the last remaining municipal golf course would be hooked up to reclaimed water. The hancock may be already, I don't even know. But those are the kind of things that we would forecast in the future. Not only building out the reclaimed system more, but leveraging what we're already invested farther.

>> Riley: Right. will be using reclaimed water at that first chilling station at the beginning of the year?

>> When we last met with them, about a month ago, that was what they had bid their work, their side of the coin to have that conversion completed by the beginning of the year.

>> Riley: Great. And then you mentioned i think what you were referring to is the auxiliary water report that is underway. Can you give us a rough idea when you expect that to be done. I understand that's a fairly lengthy process. Are we still a year, year and a half away from seeing the product?

>> Not that long. The engineering firm we selected is under contract and has begun work. I said 2013 outcome that we would report back. Is that --

>> [inaudible].

>> Okay, so maybe 10 more months to go roughly towards the end of the calendar year of 2013.

>> Riley: And then as you know, there's also been a gray water working group that has been focusing on small scale residential applications. Been hard at work and i appreciate all the ongoing efforts that staff are investing in that. I know there are a lot of citizens interested in finding ways to minimize their own water use in particular through reusing things like washing machine water or kitchen sink water for -- for instance, for watering their lawns. And so -- and that sort of thing has been very effective and useful in other jurisdictions and i know that there's a lot of interest in doing that here. So I hope we might see some continued progress on that even before the whole auxiliary water report is ready at the end of the year. Do you think that's realistic to expect?

[11:58:18]

>> Yes, we're continuing to work with the stakeholder groups on that and looking for, again, achieving those outcomes too.

>> Riley: There's one other initiative on reclaimed water that i wanted to bring up because I'm excited about getting it here. Because you and I have visited about it before. There was another

texas community making use of reclaimed water filling stations and I understand that you've reported back in september that we were going to be -- taking similar efforts here at both the hornsby bend facility and gorilla park.

>> Yes, they are actually in service at hornsby bend. We have a station where you can bring, say, a construction truck, fill it with reclaimed water and use that for dust control on your construction site. Similarly we constructed a reclaimed filling station at guerra park, purple to keep the parks green. Purple pipe water to keep the parks green. If they have a tree watering truck, they can fill it with reclaimed water which is less expensive and I better or our lakes and use that to water trees and other uses of water this the parks. Both of those are in service.

>> Riley: That's great to hear. I hope we'll keep an eye on that and consider expanding efforts along those line in the future.

>> That was your idea. You had passed that on to me so you get credit.

>> Riley: In fairness it was a citizen who brought it to my attention. I really appreciate the department's willingness to consider things like this and make sure we're staying out in the forefront of creative efforts to conserve water resources. I want to salute you for that. One last suggestion was on the -- just on the information that's being presented. I appreciate on the chart showing the gallons per capita per day usage having the -- a line showing a five-year rolling average just to get a sense of the trajectory and it might be helpful to have a similar line on the chart showing total pumpage so we can see what kind of trajectory we're on. So we get a sense where we are headed and when it looks like we'll be hitting that lcra trigger.

>> Good suggestion.

>> Riley: Thanks again for all your work.

>> Mayor Leffingwell: I just want to say one last thing and I hate to always be the wet blanket and it's about reclaimed water. And certainly I support our reclaimed water program and gray water program, but i want to caution it's not the panacea. It does help reduce the need for treated water. It does delay our trigger, our lcra trigger. What it does not do necessarily is save water in the colorado basin. Especially in time -- let's say in times of severe drought like we've seen before, we'll see again. At least theoretically every drop of water that we don't put back into the colorado, wastewater, and that's what we do with our wastewater is we put it back into the colorado river, actually it's not as bad as it sounds because it's better quality than the water we take out of lake austin. It's treated to a high level. But every water -- every drop of water we don't put back in would have to come out of lake travis eventually to go downstream and meet the number one priority for the colorado basin which is maintaining flow in the estuary downstream. So a good thing to pursue, not the ultimate solution, not the panacea. I just wanted to add that. Thank you very much. Mayor pro tem cole cole i simply wanted to thank my rmc commissioner leo for his service in working with the water utility.

>> Mayor Leffingwell: Thank you very much. Good timing. 00 noon, time for citizens communication. The first speaker is richard troxell.

>> Thank you, mr. mayor. Richard troxell here with house the homeless and homey here. We're to talk about homelessness and people going through the winter in austin. We have about 4,000 people by head count and only 607 emergency shelter beds. Some folks are going to get left out in the cold so house the homeless is reaching out for the 12th year now to try and outfit folks with the needed winterization that they have to go on. We just finished the 20th homeless memorial, 20 years we've stood at auditorium shores at the homeless memorial and read the names of the men, women and children that have died on the streets of austin during the past year. I want to thank councilmember kathy tovo, councilmember morrison and councilmember cole and former councilmember bridge it shea who took time out to join us and do that. It means a lot to the guys and, you know, it builds our spirits too. So what we've got here, this is homey. We didn't pass the housing bonds and there was a guy wrote an editorial this morning, john elford, he said it wasn't because we didn't care, he said it was probably because we didn't know. We know a lot of people get left out in the cold so we're going to make a contribution today so get out your pencils and paper and write this down. Homey is wearing thermal hat and gloves and socks and he's going to wear a rain poncho, it's not raining out there today, but we would like for you to write a check to house the homeless, \$10 will do a top and bottom, thermal top and bottom or if you want to fully outfit somebody, it's only \$35 for the hats, gloves, socks, thermal top, the scarf and the rain poncho. It's a really good investment. We didn't -- the reality of it is in austin, our temperature swings from 30 days to 80° and back down. And when we get those blankets and sleeping bags, we stash them, we lose them. But the thermal underwear we wear until spring. And the guys tell me how it saved their life during the winter. That's what we're trying to do is just do an emergency save. We're asking everybody to participate. We want to thank austin for everything it's been doing, to the turn the council has taken forward. We want to tell you how much we appreciate the path that we are on because we know we're going forward. Thank you again. Homey and I appreciate it.

>> Mayor Leffingwell: Ank you. Next speaker is robert morrow. Subject is lyndon johnson and his role in the jfk assassination and I hope you will keep your remarks civil and factual. We don't like to engage in character assassination here.

>> Thank you, mayor leffingwell. A few words today on lyndon johnson and the jfk assassination. If I had one word to describe lyndon johnson, it would be murderer. As in he murdered john kennedy.

>> Mayor Leffingwell: Okay, I asked you at the beginning to --

>> please let the -- do not talk during my time.

>> Mayor Leffingwell: Pause the time. I asked you to be civil and not engage in character assassination. Terms like that are in my view just that. If you continue along those lines, I'm going to discontinue your time altogether.

>> Mayor leffingwell, there's a book written called lbj, the master mind of the jfk assassination, came out in 2011. One of the key witnesses to lbj's derafferty is a woman named madelyn duncan brown, one of his many mistresses. He had a room at the hotel and that's where he would meet his girl friends. 31, 1963, johnson med her there for one of hisment terrorists. She said a lot

of people believe you had something to do with president kennedy's assassination. He shot out of bed and screaming like a mad man. Scared. That's bull, he yelled. Don't tell me you believe that crap. Of course not, I answered trying to cool his temper.

>> Mayor Leffingwell: morrow, your time is over.

>> Mayor leffingwell --

>> Mayor Leffingwell: Step back.

>> Sir?

>> Mayor Leffingwell: Step back.

>> I would appreciate it if you would not talk during my time.

>> Mayor Leffingwell: You don't have any time left. Wilma cloud. will McLeod.

>> Well, that's interesting. morrow was actually talking about an opinion and dissenting and I thought dissent was protected speech under the united states constitution and the texas state constitution. That's pretty much absurd. But today my topic, my main topic is capital metro. Questions regarding that. And if you would, please --

[inaudible]. We have -- I pulled off from a bus, free rides for voters, tuesday, november 6, 2012. To encourage eligible voters to get to the polls, capital metro will be offering a free day of transit for voters on election day. Simply present a valid voter registration card to your bus operator or fare inspector that day and get your free ride. Seems like a violation of the hatch act. In fact, it was. And I pointed that out to capital metro and they did this behind closed doors. That's unacceptable. Now, because I only have one minute and 45 second left, I'm going to go on to via. Via just raised their fare, only 10 cents. They kept the reduced fare rate off peak of 25 cents. And guess what they do on the weekends? They do free rides. And they collect less sales tax than capital metro does. What would capital metro and the city of austin have to cut to get their fares in line with via? That's the question. Hopefully we'll get an answer. The second question is regarding bus stops. Benches. I was in san antonio, I just came from san antonio this morning and there are bus benches at 90% of via bus stops. And they don't use 600-dollar steel to put the bus stops down. Now, since we've got this plastic bag regulation, i saw in gephardt over here, since he's here, that's good because I have a question. The question is if we were to recycle plastic and paper bags and make them into bus stops instead of spending \$600 on each bus bench, how much would that set the city of austin back? I think it would probably be negligible. And houston, they just passed a metro mobility bond. And yet they have bus benches and route times. Something is wrong with this picture. If we don't fix capital metro, let's apolish it and bring it back to the people.

>> Mayor Leffingwell: Next is philip greene. Philip greene. Next speaker is tom jones. Philip's topic is pollutants added to the drinking water and you have three minutes.

>> Thank you, council. I thought when I first spoke before you several years ago that this would be a fairly easy process to remove fluoride from our drinking water. That common sense and science would prevail and we would follow the majority of countries across the planet. Countries like Japan and China. The majority of Europe and Canada. All these countries have ended their fluoridation programs for the most part. Locally Elgin City Council, Alamo Heights, College Station and recently Lago Vista have ended their fluoridation programs. Has announced that the student government has decided to install fluoride free drinking fountains to protect African-Americans and immaterial with. Yet the Austin City Council doesn't seem to be concerned about this fact yet they seem to promote a chemical that has never been tested for human consumption. Topical applications. That is, brushing your teeth. The NRC has report which Wong and HHS states the report does not examine the risks to art officially fluoridated water which means -- sorry, the report does not examine the risks of artificially fluoridated water which millions of Americans drink. We do know the risks of naturally occurring sodium chloride which have devastated many communities in China and has also made drinking water here in Texas, many communities have drinking water levels with naturally occurring fluoride that makes the water undrinkable especially to people sensitive. The physician's desk reference states 1% of Americans are hypersensitive allergic to fluoride and fluorides occasionally cost atopic dermatitis, eczema, gastric distress and headaches and weakness have already been reported, unquote. When a substance that has not been tested to be safe for human consumption and is in fact primarily effective through topical applications, we should consider brushing our teeth rather than needlessly poisoning public water supply with a substance that poses risks to a large segment of the population including infants and young children. Can anyone on the city council provide any study which gives any supporting information that the hydro color lick acid is safe? Any studies? Do I understand we are adding a substance to our drinking water that has never been tested for human consumption?

[Buzzer sounding] thank you.

>> Mayor Leffingwell: Time has expired. Tom Jones. Topic is corruption at the city. Same caution.

>> May i?

>> Mayor Leffingwell: Yes.

>> Good afternoon, mayor, councilmembers. My name is Tom Jones. I would like to wish you each and every one a happy holiday season. I hope you are home safe with your family and loved ones. I've been here before you before asking for your help in a land dispute. Unfortunately I'm no longer have a home over this issue. The city of Austin has declared the subdivision I've been building homes in for 18 years illegal. I do appreciate Miss Tovo Riley's time to pose a few questions to the legal staff over my issue. I did provide a list of questions that I wanted to ask. Apparently those did not reach the legal department. However, I did receive a letter back from them two days ago that is several paragraphs long. If you will keep scrolling there, I'd like to bring to your attention there was a city resolution that passed the electric service for this subdivision. This is a staff recommendation that these subdivisions are indeed legal. Next slide, please. This is a city memo saying that the subdivision is illegal and none of the lots, none of the

300 lots and homes are entitled to electric service under state law. Keep going, please. This is a 2008 determination that the 1961 plat is not legal with the city of austin. That's one of your secret committees, that's not a transparent form of government. Here's a sworn affidavit that I own the pond individually, that it was located inside the city limits and it was in a multi-family subdivision which applied different rules. That's a false statement. That's perjury. There were several of those. I wish you would keep running them, please. The staff has responded that they did not claim that the project was commercial. And I'd like to -- to draw your attention to the city municipal court docket in this matter which has over 2200 entries. Also failure to maintain a commercial water quality pond. If the staff says it's not a commercial water quality pond, why are they filing all these taxpayer funded charges for failure to maintain a commercial pond. I wish I could get an answer to that. Legal won't talk to me. I have 162 notices to come to court for failure to maintain a commercial water quality pond. This is a single-family subdivision. It's 51 years old. The water quality pond is not required. You took away my lots without due process and made me build a detention pond that did not work. The pond has failed. Travis county has taken over the maintenance. Now you want the homeowners association to maintain it. I'm going to homeowners monday and file liens on all their loans.

[Buzzer sounding] I hope you will help me provide answers.

>> Mayor Leffingwell: Thank you. Next speaker is ronnie reeferseed. Ronnie reeferseed. Don't see ronnie here. Linda greene. Is linda greene here?

>> [Inaudible]

>> Mayor Leffingwell: All right. Your topic is water accounts for 70% of our body weight, 90% for infants. Why does city council persist in spending tens of thousands of dollars to poison our body with floor fluoridated water.

>> I would like to update that statement. It seems the total amount of body water, the facts change from time to time. In fact, the last time i gave you an insert from wikipedia, the information read from arthur guiton's textbook of medical physiology states the total amount of water in a man of average weight is approximately 60% of his total body weight. In a newborn infant this may be as high as 75% of total body weight, but it progressively decreases during the first 10 years of life. I've been searching the internet over the last few months and now the wikipedia says that an adult male's average body water is 57%. Meti linda, one of the websites, total body water constitutes nearly 65% of body weight in melt I male and 55 in a healthy adult female. And this one I like. In most people water accounts for roughly 60% of a healthy total body weight. Which is the largest single component in the human body. We're talking about the largest single component in the human body is water. This percentage can vary somewhat based on person's age, gender and physical fitness. Further this distribution is not even throughout the body. For example, while the blood is made up of about 92% water, the bones are only about 25% water. The brain and muscle is about 75% water. And if you want a more accurate description, you would have to go to pub med or med doc and you have to have better credentials than I have to access those websites. According to the book exercise physiology, water constitutes 65% to 75% of muscle. So the point is we need clean, safe water. And 40 years ago people were objecting to you putting hexafluorosilicic acid in the water and I'm asking to you

stop adding this toxic waste. Actually my son made a mistake. He said naturally coring sodium fluoride, it's not natural, it's a waste product of aluminum industry. Calcium fluoride is found in our water. And I'd be curious to know why councilmember Spelman and Morrison were laughing at my son's speech. I find it perplexing.

[Buzzer sounding] that you ignore this horrible situation.

>> Mayor Leffingwell: I see that Ronnie Reefersseed has arrived. And his topic is peace, freedom, fluoride and the kill grid.

>> Spelman: Mayor, before Reefersseed, I was not listening to Greene's speech. I was only laughing at my own inability to control myself. I was about to engage with him. If you would like to discuss some of those studies which show that there is a connection between dental caries and fluoride but we should do it off line.

>> And do remember your toothpaste says do not swallow your fluoride.

>> Spelman: Thank you, ma'am.

>> Thank you. And I want to just express my appreciation for being able to speak here even though I just got here and that was through the help of our good friend Clay Dafoe and he's going to also be here as soon as he can. But again, the kill grid is one of the items that is mentioned in my list of things I'd like to speak about and that is it is really going on. It's hard for people to grasp. But decisions that are made by these people and other so-called leaders in our world are making it more likely that we die sooner. It's hard to grasp, but the poisons that they put in our water, in the air and shove into our food is truly deadly and there's some of us who are trying to wave a white flag about it and just previously was one of the great champions about the water issue. And it's -- I understand very overwhelming. It's hard to grasp. It really is, for everybody, and even people who have been here a long time, it gets more and more distressing. That's all the more reason why people like me take their own time to come down and just sort of wake our fellow citizens up. And it's not just the so-called fluoride in the water, it's the GMO in the crops, the aspartame. I don't know how many people drink diet sodas. It's deadly. And other things that are just in our basic everyday life that -- we all have a lot to do with the decisions you make on our behalf so here's your chance to maybe live up to your oath of office and do what's best for the citizens and forget about these -- making these slimy special deals with big corporations. We don't need to beg people or bribe anybody to move here. If they want to move over, all power to them. We don't need to pay them any taxpayer bribe money for it. Especially the biggest, richest corporation in the history of the world, Apple, for example. But we've already done that one. Let's stop there. And that's a good thing for you, Mr. Mayor. Actually, I appreciate this opportunity to -- to address these issues and I wish I was -- about that, there still is a crazy rule that people who speak often can only speak, I don't know, it's a crazy rule and I'm hoping that we can cut down any more of those arbitrary rules about who can speak, when they can speak. It should be a first come, first served. And like the county, it shouldn't be limited to 10. It should be whoever bothers to show up and wants to be heard. That's what it ought to be. And the county does this. The Travis County Commissioners Court. They've been doing it --

[buzzer sounding] -- for years and no harm to anybody. Thank you much.

>> Mayor Leffingwell: We also limit to three minutes. Thank you.

[Applause] the next speaker at her request to speak last is carol ann rose kennedy. Thanks forgiving and christmas 2020. You know what happens then.

>> Uh-huh. I need to practice. Oh, and my name has changed. It upsets me terribly when anybody misspells my name. I am now unmarried. I'm carol ann rose from the dead kennedy.

>> Mayor Leffingwell: We called you however you sign up.

>> That's how I signed up. This has happened four times. But don't start my three minutes. I've got song. ♪♪ I'm dreaming of a black christmas, just like the ones we've never known, where the black girls glisten and the white boys listen while building a big man out of snow, ho ho ho ho. May your christmas be merry and right, and may all your snowflakes remain white ♪♪♪♪ ♪♪ I'm looking for a blue christmas, just like the one we never heard, because you spend your money on the rich and the funny, then you run to the midnight mass to spread the word, ho ho ho ho ho. May your christmas be over tonight, and may all your snowflakes remain white ♪♪♪♪ oh, it hot in here. ♪♪ I'm steaming of a brown christmas, just like the ones we've never seen, when we work together and we play with whomever, we keep our homeland so serene, fa la tidah. May your christmas be merry and bright, and may all your snowflakes remain white ♪♪♪♪ this is for you. You quit smoking. Uh-oh. It's okay, you caught it.

>> Mayor Leffingwell: I want you to leave the chamber. You were told not to do that.

>> Sorry.

>> Mayor Leffingwell: And that's for the remainder of the day, miss kennedy. Okay, council will now go into closed session to take up two items pursuant to 071 of the government code. Council will consult with legal counsel regarding the following items. Item 75, legal issues related to the texas campaign for the environment versus the lower colorado river authority, related to fayette power plant. Item 76, legal issues relate to the city of austin water rights and water supply, noting that item 73 and 74 have been withdrawn. There's no objection to going into executive session on these items, hearing now, we'll now go into executive session. Homework on the front end to define it. Let's ask staff to give us a framework so we're not wasting enormous amounts of energy. Especially when the springs are threatened with climate change, we're in alarm stage drought. We have limited resources and we have limited time to save the springs, especially if we have a boom coming back on us. This is not where we should be spending our resources, at least it hasn't been shown yet. If we're supporting water quality or the goal is on the redevelopment side. We've had a redevelopment ordinance and it hasn't in my impression hasn't either boosted or reduced redevelopment. So neither of the goals are defined here and if we're going to go forward, please amend this to ask staff to write up what they have in mind and bring it back to you so we can put some framework on this so that we're not spinning our wheels and so we're prioritizing our limited resources on saving the springs.

[Buzzer sounding] thank you.

>> Mayor Leffingwell: Roy whaley. Not here. TO come McDill. -- tom McDill. I think you need to pull that mic up some.

>> Does that sound better in sorry about that. I'm one of the old school engineers that's been doing this business for 35, 40 years, and I'm actually really happy to see that the council is still concerned environmental -- their old designs. Four years ago I spoke when this ordinance came through and estimated that maybe only four or five that i could imagine projects would ever attempt the process, and I think only one project made it through the gauntlet and it took them about two or three years to get through. I submitted a first design on a project down in southwest parkway, development assistance center thought it looked good. We paid \$200 and completed the completeness check in the process. And then paid \$3,000 and the 28 copiers plans, got about 200 comments and one of them was to -- included a rezoning process because we had a drive-through on the project. That rezoning process sent our entire project -- do you have a copy of that map? Sent our entire project to the planning commission and it got 8-0 votes and through city council and it got 7-0 votes. Then when it went back to staff, mysteriously all the comments stopped and people said that we didn't qualify all of a sudden. And so I think what your proposal is today helps clear up what would qualify and maybe even broaden a little bit of what existing polluting projects can be redeveloped into more updated projects that have the up-to-date water quality controls. One thing that I propose is that to answer some of these people's questions as to what exactly is it that you are aiming for, one of the problems that planning commission and environmental board they asked, well, do you have a sample project. And this would be the perfect sample project for them to start seeing what kinds of tweaks and stuff like that they would make to the rule to see how it would really affect a real-live project on the ground. And if anybody has any questions, I'd be glad to answer them.

>> Mayor Leffingwell: Thank you. Thank you, tom. Roy waley, did you want to speak? You don't have to, but we called your name. Just trying to be --

>> sorry if I'm little breathless, it's not just that I'm excited to be here like always, but I just ran up the steps from the third level of the parking garage. Howdy. I'm roy waley. Representing the - vice chair of the austin sierra club representing the austin sierra club today. Also you should have received a letter from the -- from a group of us including steve beers, who is now the president of the save barton creek association. There was an online vote regarding that letter. He didn't sign as a representative of sbca because it hadn't been taken to the board yet. Now it has been and so save barton creek ozarks should also be included on that letter you received. And what I'm here today to talk about is I don't feel like this is a stop, drop and roll situation. We're not on fire. There's no pressing need to move forward with this today. I think we need to step back on something that has such overwhelming implications, many of them which could be negative, and give us time to really hone down what this ordinance or this resolution should say. I've been talking with chuck and matt and we certainly want to work with them, but to take a phrase of councilmember spelman, let's not use a intercontinental ballistic missile to dig a post hole. Now, then, if one of the -- if there are specific sites, let's not throw the doors wide open on this. Let's -- let's identify the specific sites and if that is that sea of pavement there at the y, which is going to be going through its own changes here pretty soon, then let's find a way to address

that problem, not throw it through an ordinance process. Not go through boards and commissions and all of that, rather than put all the time, money, city money, into that process, let's find a way to address that problem. Austin sierra club is very ready and willing and eager to work with chuck and matt to -- to find a way to reduce that pollution from that site and other sites. But we don't believe that this ordinance as written or this resolution, I'm sorry i keep saying that, this resolution as written is too open ended --

[buzzer sounding] that it could be interpreted in ways it's not meant. Let's figure out what we're trying to do, take the time to do that.

>> Mayor Leffingwell: Thank you. Ronnie reeferseed.

[Applause] mayor, if i may, I am sorry that shirley gentry isn't here today and I'm sorry I wasn't here last week and able to say anything, but I certainly want to express our appreciation for shirley. She has always made you feel good about being here.

>> Mayor Leffingwell: Okay.

>> Very helpful whether you are a first timer or first timer today. She was great. Thank you.

[Applause]

>> Mayor Leffingwell: Ronnie?

>> Thank you, sir and thank you forgiving him a little extra time there. Mayor lee leffingwell, mike martinez, chris riley, conspire here with what you, quote, will improve water quality and redevelopment opportunities in the slimy kickback loan guarantees, et cetera, of the barton springs zones and other area. Other areas of the city. In other words, everywhere. No limits. So I'm -- I'm reluctant to go forward on this because it seems to be just a wide open excuse to throw away any of these development ideas which are put in place for some reason or another and I can't imagine it would be helpful to all of us to just rush through this so I'm in somewhat agreement with the previous speaker and that we've got time to work out the details. And so I'm just speaking out against this and I want to be brief so I'll leave it there. But again, we don't want to be everywhere no limits. Some things do need limits. Thanks a lot.

[Applause]

>> Mayor Leffingwell: Okay, that's all the speakers that we have and I'll just say, you know, the council unanimously passed the redevelopment ordinance I think it's four years ago, something like that. The sole objective of that ordinance was to improve water quality in the barton springs zone, in barton springs. We spent a year and a half going through a process involving stakeholders to develop this ordinance. Everybody was represented from rico on one end to s.o.s. on the other. At the end of the day, in the spirit of compromise and just trying to get something going, the process was so restrictive that unfortunately due do that fact and also due to the fact that we've gone through a recession in the interim, it hasn't been used very much. In fact, the poster child objective of the entire process was the y at oak hill. IT'S A 1970s DEVELOPMENT,

Little or no water control, 85% impervious cover. And above and aside from environmental issues, it was a very important neighborhood issue. The people in oak hill, 11,000 rooftops were strongly supportive of this. I think the phrase used over and over and over against WE'RE STUCK IN THE 1990s. We can't do anything with this except have bingo halls and just something to fill up the strip mall there. So again, in the spirit of compromise, so restrictive, and maybe a little too restrictive because at the end of the day, at the end of the process, the folks that were urging all these restrictions didn't support it anyway as they don't support it today. But I think for a more fullsome explanation, this basically is recommended by the staff that we go through this process to see if there's some way that we can go forward in improving water quality in the zone and setting aside more open space. It establishes a fund for doing that. I would like to ask staff to come up and briefly sketch it out for us. Sketch out both the redevelopment ordinance and why you think we need to change it. Just in thumbnail.

>> Good afternoon, mayor and council, chuck wozniak, city environmental officer. In brief, the barton springs redevelopment ordinance addresses old properties that have high impervious cover and low water quality protection. And these sites, particularly the y at oak hill and in other areas, have sat there for decades and just -- in some cases are sitting unused or under utilized and continue to create potential possible water quality problems. And this provides a mechanism where the development is able to keep its impervious cover but redevelopment, redevelop the property, provide water quality benefits through improved on site water quality controls and are required to provide funding to a mitigation fund to buy water quality protection lands in the same area to off set their additional impervious cover. We've only had two properties go through that process and that we really think that it's time to take a look at why there hasn't been more properties take advantage of this redevelopment exception. And that it may -- there may be a number of causes. We don't want to pre-determine or pre-suppose what that may be, whether it was the economy or whether it's some structural problems in the ordinance itself, and we think that this is a good time to -- to take a look at that and see if there is some things we can do to get people to take advantage of it so we can get that additional water quality benefit out in the barton springs zone. And we do also, we have a redevelopment exception that applies to the rest of the city that also does not get taken advantage of very much and we think it would be appropriate to take a look at that as well. But the focus would certainly be the barton springs zone and that redevelopment coordinate.

>> Mayor Leffingwell: And I think it's important to emphasize we're not making any changes with this resolution.

>> That's correct.

>> Mayor Leffingwell: The resolution only starts a process, involves stakeholders, involves boards and commissions, involve all the people who are here today and concerned about it and have an opportunity to see if there's -- and there may be the case. But everything that we do will be the product of an inclusive process and ultimately approved back at this council some months from now.

>> That's absolutely the case.

>> Mayor Leffingwell: And you know, I've said this many times before so bear with me if you've heard it. The original objective was to -- as you just said, address property that's already developed and has been developed before the ordinance was approved, which is over half of the property out there in the barton springs -- in the city's jurisdiction. That's over half. By contrast, the land that in the barton springs zone is only 16%. So really although that's doing a good job of protecting that portion of the land, it really ignores -- it ignores the big hunk of the pack. I would also add parenthetically that 31% of the land in the city's jurisdiction in the barton springs zone is already permanently set aside at open space. I do know also anecdotally that when the s.o.s. Ordinance was adopted back IN THE EARLY '90s THERE Was a lot of discussion about whether it should apply only to undeveloped land or whether it should address the retrofit issue. These guys knew about that just like we know about it today, that it was very important. But again, anecdotally it was decided not to include a requirement for retrofit because it's a hugely expensive proposition. It's very expensive. We're talking somewhere in the neighborhood back then of half a billion dollars. So what this ordinance does is give a way to do retrofit, something we've all wanted to do, and do it at private expense and not at city expense. All we're asking here is a chance to take a look and see if there are some opportunities to expand the scope, make it more utilitarian in the zone. Maybe there are, maybe there aren't, but also as you noted out sides the barton springs in other sports of the city.

[One moment please]

>> and if there is something inherent and the ordinance is preventing people from taking advantage of it, we think it's a good idea to take a look at this. I think this does not necessarily kick off the code amendment process. I think my reading of the ordinance is that we would take a look at it and if based on our analysis we think that amendments are appropriate, that then we -- then we would start that process including a significant stakeholder involvement and an ordinance like this we would certainly make sure that it had a broad stakeholder input. A lot of stakeholder input opportunity. And -- but it doesn't necessarily -- I don't read it as telling us to come back with an amendment. I read it as to consider the possibility and if appropriate, if staff would support changes based on our analysis, then we would start that ame process. But why read this as requiring us to come back with an amendment and start an amendment process.

>> Tovo: I'm glad to hear that and I think there is language this the resolution that suggests that it is kicking off an amendment process and that's at least some of the concerns I've heard that, you know, there is a discussion about getting stakeholder input, but yet it sounds like it's kicking off what is a pretty involved process that would take as one of the speakers said, take the time of our volunteer boards and commissions and others others where it might be more productive to have stakeholder input up front before a code amendment process is initiated. Would you say that that is accurate? Do you think that would be valuable to have a stakeholder process before any kind of code amendments begin?

>> I do, and that's typically how in watershed we look at processes like this is part of the analysis would be we don't have all the answers in house. There's not databases full of the information that we need. We would be reaching out to the development community, the property owner community, the environmental community and getting some feedback. It certainly wouldn't be as formalized as the code amendment process and that stakeholder process, but it is typical for our

review and analysis of these kind of ordinances to have an early -- early discussions with key stakeholders to -- because we don't do development and so we're going to have to talk to that community to get some input from them. We also want to hear what concerns early on the environmental community has about the existing ordinance and about any possible changes that we might have. And so before we ever even start crafting any possible amendments, if that's where we went. So I think for us that early stakeholder -- those early discussions we assumed even though we would do that even though it's not explicit in the resolution.

>> Tovo: So I guess i would just comment that the language that suggested to me and perhaps others that it was initiating a code amendment process was the the city manager is directed to draft, process and bring forward for council consideration land development code amendments to improve redevelopment opportunities and environmental pro ex the. So it might be be appropriate to change that language and I've got one suggestion, directed to work with shake holders to direct improvements -- redevelopment opportunities and those recommendations might be some recommendations that a code amendment process take place. But that I think -- you know, the resolution i think -- it seems to me in the main is pointing toward a full consideration of what, you know, what next steps might take place, but that language is pretty prescriptive in kicking off a code amendment process so I think I will make that formal suggestion later, but I'd be interested to hear --

>> Mayor Leffingwell: I was just going to ask if that was a motion.

>> Tovo: I'll let you move your own resolution and I'll amend it.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: I was in the process of writing my own. I would like to here councilmember tovo's first.

>> Tovo: Sure. I'm not sure --

>> move approval.

>> Second.

>> Mayor Leffingwell: Hold on. Hold on.

>> Spelman: I just wanted to hear it.

>> Mayor Leffingwell: Councilmember tovo, do you have proposed language?

>> Tovo: Yes. I would propose we adjust the language. In the first be it resolved clause, I would strike draft process and bring forward for council consideration land development code amendments to improve both, strike all of that and replace it with instead the city manager so it would the city manager is directed to -- here's the new language -- work with stakeholders to develop recommendations for improving redevelopment opportunities and environmental

protection. With the knowledge that those might include recommendations for beginning a code amendment process.

>> Cole: I'll second that.

>> Mayor Leffingwell: That wasn't a motion yet, mayor pro tem. She specifically is not making a motion. Councilmember spelman.

>> Spelman: Do we have a motion on the table?

>>

>> Mayor Leffingwell: No, we don't.

>> Spelman: I believe councilmember martinez was prepared to make one and I'll wait for one to be on the table.

>> Mayor Leffingwell: Councilmember martinez. Councilmember martinez moves approval of the resolution as stated. Or as revised by councilmember tovo. As posted. Is there a second for that? I will second. Councilmember spelman.

>> Spelman: Mayor, i understand councilmember tovo has a very interesting amendment and I bet she doesn't need to read it all over again for me to agree to it.

>> Mayor Leffingwell: Get the floor to do that.

>> Spelman: I was about to ask something but I'll let her go first.

>> Tovo: I would like to make a friendly amendment. It may sound kind of familiar. And that would be that in the first be it resolved clause we change to it read: The city manager is directed to work with stakeholders for improving economic opportunities and environmental protection.

>> Mayor Leffingwell: So that is a friendly amendment proposed. Councilmember martinez, do you accept that? And I accept it too with the -- you made the statement the direction would be that doesn't preclude initiating a code amendment process if the recommendation so warrants. Did I understand you correctly?

>> Tovo: That was the general perspective but my questions is -- I wanted them to have to come back and say we're going to initiate code amendments on x. I'm just saying that that may be one of the out comes of this process.

>> Mayor Leffingwell: It may be one of the outcomes. Councilmember -- wait a minute. Councilmember martinez accepted the proposal. I will accept it also. Councilmember morrison.

>> Morrison: Just a couple of points. I think this is an important amendment to incorporate because what I could foresee and fully expect is that there are going to -- this is going to provide

the opportunity to really diagnose what the problems are. And then come up with some alternatives. And for us to be able to get those alternatives on the table with the stakeholders, bring the alternative to the council so we can make some decisions about which way to go, then go through the effort of doing the code amendment I think is a lot more efficient use of time. And I would like to suggest I don't see any report back date in here and I don't know if there was -- if it would perhaps be reasonable to ask for a report back date so we know what the expectation is and the timing.

>> I'd suggest the end of april. It's very possible we might be back sooner, but --

>> Mayor Leffingwell: Well, okay. That's always the eternal optimist. When we did this the first time around it was about 18 months.

>> That would be just to report back from staff on the initial -- the code amendment process would take longer.

>> Mayor Leffingwell: No, I'm talking about to get to the same point you are talking about in april took us about a year and a half. But that's okay.

>> Morrison: So I would like to make that as an amendment that we have a report back date as of the end of april, even if -- we can at least get the progress report at that point.

>> Right.

>> Mayor Leffingwell: Councilmember martinez, do you accept that? And I accept it also. So all in favor of the motion as amended by the friendly -- two friendly amendments say aye. Opposed say no. Passes on a vote of 7-0. Item 68 pulled by councilmember spelman and we do have several speakers. Carol brazicki. Is carol brazicki here? Roy waley donating time. You have up to six minutes.

>> Good afternoon, mr. mayor, councilmembers. My name is carol, I, I am executive director of texas rose, texas ratepayers to save energy. You want to start my comments by saying thank you to councilmember tovo and mayor pro tem cole for bringing a very important issue forward. And that issue is what happens to rents after landlords participate in an energy efficiency program that is financed by funds that come from austin energy, that come from the public. This is an important issue because we have a lot of issues with energy efficiency in apartments here? Austin. We have 56% of the population living in rental housing, and in the future it is going to have to be a larger portion of the target of energy efficiency programs if we're going to meet all of our goals. And looking at numbers from different parts of the country, I can conclude that there is less activity, there's less energy efficiency activity in rental property than there is in owner-occupied property. And the only way that they have been able to increase energy efficiency activity in apartments is to increase the level of the incentives. So they are sweet eveningening the deal and paying for a larger portion of the cost of doing the retrofit work. Now, that in itself is not a problem. The problem is this is money that is being provided by the community. And in return for this investment, I think that we should be assured that we will receive certain benefits for the community as a result of making that investment. So I think it's

important to look at what do we -- what do we want to require from landlords who receive big incentives for energy efficiency, and I think that a -- a moratorium on rent increases is a very good option to pursue here, number one because it's needed. We want the people who live in the apartments to benefit from the energy efficiency. And there is a precedent for this because under the federal program apartment owners are required to agree not to raise rents as a result energy efficiency improvements. I had copies of the agreement made to bring with me and I left them on the desk, but basically the agreement stays in effect for 24 months after the energy efficiency improvement are completed and the landlord agrees not to raise rents because of the energy efficiency improvements. It doesn't forbid rents from being raised because if property taxes go up or, you know, there's another reason to raise rents, of course they can do it. So I am very much in favor of moving forward with a process here to explore this issue and decide what the community should anticipate in terms of benefits for promoting energy efficiency in privately owned apartment buildings. That concludes my comments.

>> Mayor Leffingwell: Councilmember Spelman.

>> Spelman: I have a question for you, Carol. The way energy efficiency works, if I'm buying a house, I am buying a house and I should participate in some programs. The way it works is I will do things to weatherize my house, insulate it, make it more energy efficient with the assistance of the rebates, and that's a cost up front. I've got to bear a few thousand dollars before I can move any further. I bear that cost and in exchange over the next few years I pay lower energy rates. I pay for less electricity because I don't need as much electricity or gas or whatever because my house is tighter, it's more weather proof. If I'm an apartment owner and I'm paying the electricity, for example, for all of my tenants, I've got exactly the same deal. I can bear the up front burden, I've got some expenses I've got to do up front, but once I've borne those expenses I can get the benefit of lower energy bills for the foreseeable future so it's the same deal as for somebody in single-family house and I can understand how that would work and in that circumstance I can understand why an apartment owner would be willing to check the box or sign the statement saying I'm not going to raise rents because I'm going to be better off by having done this energy efficiency in the form of an implicit payment over the foreseeable future in the form of lower rates. But if I own the apartment building and I don't pay the electricity bills, if my tenants pay their own bills, which is what we kind of want to have happen otherwise a free rider propose, people are going to be using more electricity than they need. If they are paying their bills, then I'm bearing the burden of improving efficiency in the apartment complex, but they are getting the benefit of lower electricity bills. If that's the case, then why would I as an apartment owner ever want to take advantage of one of those rebate deals?

>> Okay, let me start by saying that what you are referring to is actually what is called the split incentive and it's a theory that's been bandied about for at least the last 30 years that landlords don't have any good economic benefit to obtain from making an apartment more energy efficient; therefore, they don't do it. So that's the first thing that I would like to address. That's a very old theory. I'm not sure it's one that we should be following and believing in anymore. I think it's time to start looking at the situation that really exists in the rental market. And I have -- I know a lot of people who work in the housing community and, number one, today people understand what energy efficiency is. And that was not the case 30 years ago. Energy efficiency is something that most people are aware of, they know it makes a difference if they have good

appliances or bad appliances in a housing unit. So this is something that people look for. We're even promoting that or trying to promote it through the ecad ordinance here in austin, to make people more aware of the energy efficiency situation in the apartment complex that they are looking to rent from. Another factor is the value of the buildings. I mean, my understanding is that most businesses make most of their money when they sell the business to somebody else, not as a result of running it all the time. An apartment complexes change owners frequently. And if that building has been improved, if that building has new air conditioners, if it has new appliances, you know, in the kitchen, then it's going to be worth more. There's a higher value on resale. And the third thing is is that people are not stupid. I mean, if people look at two apartments and they are pretty much the same except for the fact that like one has a new air conditioner and one has a new refrigerator and blah blah blah, and if they have to pay an extra \$75 a month or \$100 a month for that they are going to do that. They are going to take that choice. Number one, I think it's way overly simplified to just say oh, there's a split incentive and the landlord doesn't have any incentive to be energy efficient because they do. If they want to be energy efficient, that's something they can advertise to the community and that's something they can do to have a zero vacancy rate like in their units. And that's something that we have not explored in studying multi-family energy efficiency just here in the city.

[Applause]

>> Spelman: And i understand the theory. Let me back up though. Perhaps this particular manifestation of split incentives has come out the last 30 years, but it's got a long, long prodigy and economic actors are going to make decisions in their own economic self-interest. Some of that may be softened that my vacancy rate will go down if I can advertise energy first and showing the energy bill from my apartments is lower than the apartments across the street that haven't participated in the program and so on, but I'm not convinced at this point the market is sufficiently transparent and people are looking at that stuff. They see the rent, the rents are easy to compare, but the energy bills are a lot harder to compare. That's one issue. The other issue is that if I'm getting my value back when I sell the apartment building at some point in the future, the reason I'm able to get my value back when I sell the apartment building is because the apartment is worth more and the reason is because not because I put a bunch of cool fixtures and better insulation and doors in it, it's because the next guy who buys it can raise the rents. The rents are going to be higher because it's a better set of apartments, it seems to me. Even if it's not immediate, at some point in the future we have to assume some future owner or 24 months from now some future owner is going to take advantage of the fact these are better apartments and more valuable.

>> That's possible. I think the second point that I wanted to make is because we know that it is so difficult to get apartment owners to be energy efficient, that the incentives that they are provided in exchange for being energy efficient are very high. And that's one of the reasons why I think it's a good idea to have some kind of a process where we look at the benefits that are being provided, how those compare to energy efficiency programs for other types of customers out there, and if they are in fact -- if the benefits are greater, then i think there is an exchange that needs to be made here. You know, because this is community money. This is money that every -- that every ratepayer is going to contribute to on their utility bills in the community benefit charge.

>> Spelman: We're not doing that out of the goodness of our heart. The reason we're contributing that money is because we want a more efficient, more efficient demand.

>> Right.

>> Spelman: So we can put off further into the future the day which we need to go to another purchase power agreement or build another power plant and that's the tangible value all of us are getting out of each individual being efficient.

>> And that's true. And another -- another principle, at least one that like I've always tried to follow in looking at public policy is that the people who were paying for the benefit, the people who were paying for the program should get some kind of a benefit. Therefore if you are a tenant in apartment buildings, you are paying that charge on your bill. So if it becomes more energy efficient, you should see some kind of a savings directly as a result of that. And if you let the landlord, you know, like raise the rent arbitrarily simply because the energy efficiency program was done, then the tenant receives no benefit.

>> Spelman: I disagree with you. I think the tenant would receive the benefit of lower electric bills.

>> Not if the rent the raised and it offsets the reduction in the utility bill.

>> Spelman: Well, in that case -- I'm harkening back to the original where i started with a single-family homeowner. If the majority of homeowners who participate in this program are going to do it if it makes economic sense and therefore that's only going to be true if the up front cost of the improvements is going to be balanced by a downstream set of lower energy -- lower electric bills. And I think that's true for the vast majority of people who participate in this program. It's probably true for the vast majority of apartment owners who have participated in this program in the past. Probably even more so because in my experience people who are dealing real estate, they sharpen their pencils more than the average homeowners, the benefits over time and what the costs are up front. And if we eliminate the capacity to make that money back, to close the loop, then the tenants get the free ride of lower energy bills and the landlords would have to bear the whole brunt of the costs, and as a result apartment owners aren't going to do it. We already have some trouble getting apartment owners to do it. I understand what you are saying about a vacancy rate, I understand about the improvement, the value of the building and when you sell the building it's going to be worth more, but it doesn't seem to me that's closing the loop quickly enough we can expect very much of a take-up rate among apartment owners and I think that's a big problem is most apartment owners say this is not a program that's going to help me out, I'm not going to participate in it.

>> My understanding is some of the costs of these programs are covered 100% by the landlord. In that case then your scenario doesn't like really apply because there aren't any costs.

>> Spelman: If it's free, I agree completely.

>> That's why I think it's a good idea to set up a process so that we can look at this and decide what's the fair thing to do for the -- for the landlord and also for the tenant who is like living in the property.

>> Spelman: Thank you.

>> Mayor Leffingwell: I've got a question not for you but for staff. So attorney? An owner? An attorney? First of all I'll comment with occupancy rates in the HIGHWAY 90s, IT'S HARD FOR Me to see why any apartment owner would want to do this if he couldn't make it pay for itself so I agree 100% with councilmember Spelman. My other kind of -- this is -- you may not be able to answer this now in open session, but how would you know if an apartment owner raised the rents to recover the cost of energy efficiency or if they just raised the rents? Would you --

>> I think that would be an issue with enforcement, but again I think that would be an answer -- I don't think that's something we can answer now because it would depend a lot on how the program is designed and what reporting requirements the plan would have. That would be something we would have to look at. I think that's a fair point that the program would have to be designed in a way that it would be enforceable.

>> Mayor Leffingwell: But you think it could be designed in a way that it would be enforceable?

>> I guess I would hesitate to answer that right now. I think the devil would be in the details without really having -- without really be down and looking at the program details.

>> Mayor Leffingwell: What --

>> the federal government has a program that they run and I'm not familiar enough with their program to know how -- how their process works or how they enforce it. But like I said, obviously the burden of proof would be an issue as far as pinpointing the reasons for the renting increase.

>> Mayor Leffingwell: This has for a specify period. What if during that period the lease were expired and that would be the normal time when rent adjustments would be made? Would this proposal say even though the lease is expired and renewed you couldn't change the rent is this.

>> I don't think that -- i don't think that issue has been addressed in the resolution. I think that could be addressed in the program and if that program is brought back to council, you could certainly design a program that said that the rent -- that the prohibition would be with respect to existing leases and perhaps not with future leases but I think that would be something that would have to be put into the program and examined. I don't think there's any direction in the resolution how that would be addressed.

>> Mayor?

>> Mayor Leffingwell: Okay. One more question. Does anybody at austin energy have an opinion on what it would do to the effectiveness of the program if property owners were not allowed to recover their costs for investing in this?

>> Good afternoon, larry weis, general manager austin energy. We do not. I think that very subjective -- very subjective analysis would have to be done in apartment building by apartment building. Let me take the opportunity to talk to you about what happens with apartment buildings when we do these programs. Predominantly new air conditioners are a big component of these retrofits. And so I would suggest that the apartment owners association and apartment owners themselves would be the ones that could answer some of these questions.

>> Mayor Leffingwell: Councilmember martinez.

>> Martinez: I just want to make sure that we're very clear, one, there is a federal program that already stipulates requirements if you opt into that program, two, much like the previous item that was just adopted 7-0, this just starts a process and doesn't amend anything. I think it's worthy of asking these questions, i think these are great questions, but that's what the process is for so we can get all the stakeholders together and see if there's something we can come up with that keeps the owners of these older buildings wanting to participate in the program, but two, don't pass it on to the low-income renters that most of them house as tenants. So for me, moving forward on this, just like in the previous item, it's a start to the process of trying to make something better and trying to lessen the impact on some of our low-income renters. So I hope that council will keep that in mind when we are taking up this item for a vote.

>> Mayor Leffingwell: And councilmember, the way i read it, it's not exact the same because in the previous item that you referred to there was outlined a process to develop recommendations and come back to council. The way I read this, maybe this is countermanded in the resolutionist, but this says direct the city manager to implement a policy conditioning receipt --

>> Martinez: You are reading previous backup.

>> Mayor Leffingwell: I'm reading the posting language.

>> Martinez: But if you read the actual resolution, the city manager is directed to draft process and bring forward for council consideration land development code amendments to improve both redevelopment opportunities and environmental protection.

>> Mayor Leffingwell: All right, then, I was just basing it on the posting language which specifically says direct the manager to implement a policy. Councilmember tovo.

>> Tovo: Thanks for this dialogue and I just wanted to point out a couple things. One, I just wanted for those of you listening councilmember martinez s also a co-sponsor of this item. It was read in changes and corrections but I don't think it made to the posting online and there is updated version that talks about the city manager is directed to develop a policy that would condition receipt of an energy efficiency rebate, et cetera. So there are -- austin energy will have an opportunity to return to us with some suggested -- with a suggested policy at which time we

can make some decisions. But I just want to point out a couple things, and I know we have some more speakers so I'll make more comments later, but I just want to say as councilmember martinez said, there is a process for assuring just the very thing we're talking about and that process is built into the weatherization assistance program the department of energy runs and we have modeled this exactly after their requirements. That the increases need to -- let me make sure I get the language right -- you can increase as a landlord, you can increase the rent within two years, but those rents, the increase must be demonstrable related to matters other than the weatherization work performed. My understanding and these answer are in our q and a for this week, it's my first-degreing the weatherization process works and t an afirms up front they will not increase the rents for a period of two years as a result of the energy efficiency upgrade. So they affirm it and then the tenants themselves are provided that information and it's basically complaint driven. But the hope is that tenants -- excuse me, owners that participate sign that pledge and hold to it. I mean, that's kind of the way most of our laws work, you depend on the good -- the good intentions and honesty of the people who sign their name on the dotted line. And you know, I just want to point out, we've all been provided with this information. I appreciate austin energy's work on this and they've produced us with lots of data over the last three years of our weatherization program, our firefighter weatherization program and -- multi-family weatherization program. They've broken it down by average costs, kinds of repairs and by properties. And just in looking at the program participants by properties, I'll read a few highlights. Blinn creek received about \$135,000 worth of energy efficiency upgrades. None of these were hvac, these were duct seal and cfl retrofit. I'm not sure what that is. But those were covered at 100%. That is \$135,000 of rebate -- of ratepayer dollars that went to energy efficiency upgrades. I completely support the program I think for all the reasons specified, it's great to incentivize lower energy use but that's \$135,000 worth of costs that were covered at 100%. There was no participation by that property owner. And there should be, there should be a benefit to the people who live there. And I just want to say that in the multi-family energy efficiency guidelines, the program guidelines, number 1 applicant beneficiaries must be austin energy electric utility customers residing in apartments or condominiums. So the beneficiaries of this program are intended to be the tenants and we just need to assure that's what happens. When we have this public investment in energy efficiency upgrades, the tenants who are the intended beneficiaries enjoy the benefit and don't find their rent increases as a result from cost participation of that owner. So I know we have other speakers so I'll leave it there and aim happy to give you other examples, but we've got -- if you look over the data, \$67,000 covered at 100%, 85,000 covered at 100%, these are all duct seals, 89,000 at 100%. Somewhere in the neighborhood of 60,000. We've got a lot of examples over the last few years of rebates that have been covered at 100% and i hope -- well, then I ask additional direction for staff to make sure career not target all the participants.

>> Mayor pro tem?

>> Cole: Councilmember riley.

>> Riley: I would like to ask a question of staff, probably for larry. Councilmember tovo pointed out there have been a number of cases in which recently where we covered 100% of the costs of energy efficiency improvements, but she also read from the program guidelines for the current 2013 energy efficiency program at energy. When I look at that -- austin energy. When I

look at that document, councilmember tovo read paragraph 1. When I read down to number 3 on that same document, I see rebates shall not exceed 90% of total projects costs including all customer costs for time and material. Could you help us understand what's your understanding of this -- of the improvements that this resolution would apply to, do you anticipate that we would typically be covering 100% of the costs or would be -- would we be at something below 90%?

>> Well, let me get -- if we want to get into the detail, I'll have fred come up and do that in a second. Let me just say that a lot of our programs over time, we change them, we try to create incentives and at one time I know on those multi-family we were creating incentives for nonhvac to go 100% and cover costs. And as time we adjust those. Depends on when these projects were done. The other piece is the recent projects you are talking about were done through the federal grant, the aara grant, and that -- that's where the two-year hold on rents came from and from the federal government. And it worked well. Very successful.

>> Riley: And that was typical affordable housing developments.

>> Correct. Some multi-family were done under that project and some were not. Fred, do you want to --.

>> Good afternoon, mayor and council. My name is fred yabra with austin energy. Your question, guideline number 3, I believe, that says rebates are limited to 90% of the total cost of the project. That has just been implemented as soon as we achieve the enhanced rebates. If you recall, the energy conservation and disclosure ordinance that was passed 2009, the ordinance directed austin energy to provide enhanced rebates for promoting the ordinance. Compliance with the ordinance. So from around 2009, somewhere in there, to until the end of this summer, we offered the enhanced rebates. We stopped the enhanced rebates in june, I believe, or july, and then we instituted that number 3.

>> Riley: Going forward we are talking about a 90% cap.

>> Yes, sir.

>> Riley: So no one will be getting 100% of costs covered.

>> Correct.

>> Riley: So in other words, we will be asking the owners of these complexes to assume the costs tore hvac and other improvement and telling them for some period they will not be allowed to pass those costs to tenants through rent increases. That's your understanding.

>> Yes.

>> Riley: They will just have to eat that cost. It strikes me that that has -- could well have some disincentive effect. If we're telling owners they are going to have to assume this cost and no they are not going to be able to recoup through rent increases, is that off base to reach that judgment?

>> Well, marketing -- marketing these programs, and it may surprise you even though they pay 90%, they are still hard to market because there's still -- there's still work to be done by the owners. And this goes for homes and everything. The answer to your question does this make it more difficult, it's very subjective. Depending on the attitude of the owners. Are they -- as an example, are they interested in making capital investments because their accountant says you need to make some capital for depreciation purposes. There's a the look of things that factor into it. Apartment buildings multi-family are almost like commercial buildings from our perspective in terms of weatherization programs is that it really comes down to the owner of these buildings sometimes they are sophisticated as well and own many buildings. But -- so it's very subjective as to how this affects our market.

>> Riley: Okay. Thanks.

>> Mayor Leffingwell: We have a lot of other speakers. Councilmember tovo testify to have I have a quick follow up question. I just want you to verify though it's going down to 90%, customers are eligible for -- for a emmitt have of \$20,000 they get basically \$180,000 of public investment.

>> Yes.

>> Tovo: Okay. Thanks.

>> Mayor Leffingwell: Next SPEAKER IS will McLeod.

>> Well, well, well. Good afternoon, will McLeod. Been here since noon. This is a very interesting topic today. I say if you decrease property tax rates and cut spending more and more property owners can afford to have these so-called luxuries of energy efficiency. And to answer councilmember tovo's question what cfl retrofit is, it's when austin energy contractor comes into your apartment and takes the light bulbs out and puts these hazardous curly light bulbs in your apartments. Apartment complex I didn't want them, I wanted my incandescent santiago and left alone and they entered my property without my permission. It's not right. If we are going to mandate energy efficiency, ductwork and pane windows they do make sense. I think it should be a voluntary effort, not something mandatory. My father has owned several rental properties in houston over the years. He owned a property in longdale, which is on myrtle drive, wheelington park, southwest houston, alieva, as well as sharp's town, a property in sharp's town which is a deed restricted community. It a nice community by southwest houston by bellaire and 59. I just don't feel like anybody should tell me how to keep my thermostat or light bulbs. By the way, I uninstalled my austin energy thermostat in my apartment. I replaced it with an energy controlled thermostat. I bought it on e-bay. And removed the cycle safer on the hot water heater because I don't like big brother telling me or anyone else telling me what electricity I'm paying for to use. I think it's absurd. My question to council is why don't we wait for the costs to come down? 90%, That's all? That's -- this is a lot of money they are forking out, 180,000, I bet that's per unit. \$180,000 Apartment unit adds up. It sure does. And the apartment owners, are they going to submit their financials to the city? Is that prior the ordinance? Are we going to trust them on their word? We see how that happened on the east side. I guarantee they will fight you tooth and nail on this. I yield the balance of my time. Thank you.

[Applause]

>> Martinez: Next speaker is ronnie reeferseed.

>> Thank you and yes, I'm ronnie reeferseed. And I just want to speak about from the libertarian point of view that this -- the language to not allow rent to be raised for a certain reason over some certain period of time, it's -- it's straight up as just a little bit too much do-gooderrism. The market does amazing things and consumers can make their own choices and investors make their own investments. It's their cost, they are going to get the profit. Hopefully the county and city will get tax revenue, but that's down line and that's not something that -- that's not a good excuse, in my mind, for you guys to start pulling the strings here. And how can -- and a great question the mayor asked, I'm so sorry he left. He asked a great question. How can we know? We can't. There's no way we can know that. And if -- it's unenforceable. It sounds good, like many things, sounds good, but it only really leads to more problems and that kind of-is a summary for a whole lot of the good stuff you do and that is it just sounds great but it doesn't work out when you study the details. Too costly to investigate. Can you imagine each and every little issue being checked on. It can't happen. Unrealistic. The city council has real issues to address. Like, oh, I don't know, how about stop that toxic sludge you all are poisoning everybody with, their gardens, our pools, our -- everywhere. We've been addressing this issue. But that's a real important issue that affects each and every one of us each and every day. But this is kind of a slimy, too good to be true sort of thing. Well, it sounds good, but look, we all have real problems, but I can testify from personal experience, I've not lived all my life in austin, texas, believe it or not, and one of my sorrier memories is the rent control. It's a total nightmare for everyone on all sides of the rent issue, rental issue. And again, remember it sounds good, but it's a total sham and causes untold nightmares and much more difficulty to undo once we get into that kind of pattern here. So just for the sake of libertarian truth and let the market work on its own and --

[buzzer sounding]

>> Mayor Leffingwell: Time is up. Ruby roa. I saw hi earlier. There she is.

>> Good afternoon, mayor and you council. Ruby roa and I'm a member of the laid of charity of continue which you all know that it's an organization that serves the poor. I think this is a good idea. To prevent the landlords to raise the rents when the city or federal government provides funds to improve their property. There are hundreds of apartment complexes just on riverside drive that need this weatherization. I can think of 10 right now, and those apartment complexes have people of low-income living there. And anything that this council can do to help prevent high utility bills for the poor people is a great idea. And I want to thank mayor pro tem, councilmember tovo and councilmember martinez for this and i think that that shows that this council is thinking about people that have less than we do and I applaud you for your sensitivity and i hope that this will work out for those that need it the most. Thank you.

>> Mayor Leffingwell: Thank you.

[Applause] next speaker is rachel fisher. Okay. That's all the speakers that we have so I'll entertain a motion on item 68.

>> Tovo: I move approval.

>> Mayor Leffingwell: Councilmember tovo moves approval. Seconded by councilmember martinez. Mayor pro tem.

>> Cole: I'm a co-sponsor and I had a couple of friendly amendments, I hope they are friendly. First in the be it resolved clause, I would like to add the language that the city manager is directed to consult with the stakeholders, similar to what we did in the previous resolution.

>> Mayor Leffingwell: Accepted and councilmember tovo, you accept that? All right.

>> Cole: Then in the last sentence --

>> Tovo: Let me interrupt you? Where would it go? Consult the stakeholder to develop?

>> Cole: Uh-huh. In the last sentence, i would like to add the city manager shall report back to the council, and this is new, include recommendations from the electric utility commission and the resource management commission. And there I'm simply looking for their expertise because I have heard from my resource management commissioner.

>> Mayor Leffingwell: Councilmember tovo and martinez? Both accept that. Further discussion? Councilmember tovo.

>> Tovo: Yeah, I just wanted to offer some additional guidance to the staff that, one, I couldn't put my hands on it, but i think some of the federal guidelines talk about some of the specific details. I think mayor leffingwell is the one who asked a question about what happens with new leases or existing leases. Seems like I've seen reference to that in the federal guidelines. That might be one place to look for those specific scenarios. The other thing, in looking through, gosh, eight pages of energy efficiency rebates that have been -- participants in the multi-family energy efficiency rebate program over the last three years, there's a big range. I mean, we have participants who have received \$968 rebate and then as i mentioned participants who have received 135,000. So I would say when you come back with a suggested policy, perhaps you could suggest also a dollar amount that makes sense so that we're not capturing absolutely every participant in the multi-family rebate program but just the ones where we as a city have made a substantial public investment and have a right to expect some requirements. But those will not be again passed along to the tenants who are, as I mentioned before, described as the beneficiaries of this program.

>> Mayor Leffingwell: Other comments? Councilmember spelman.

>> Spelman: I was hoping we could come up with some amendments which would be sufficient to cause me to vote for it and I don't think we've got there yet and I don't think it's appropriate for me to come up with amendments which may not pass which would -- well, I don't think it's appropriate for me to try and amend this to the point I find it innocuous to vote for it. I think this is fundamentally a bad idea. If we were dealing with low-income -- the primary reason was to put more money in the hands of low-income folk to make housing more affordable. The program

we have for energy efficiency is offered at all parts of the income spectrum. Rich folks, poor folks, people in between for the purpose of energy efficiency. I'm persuaded if the landlords are prohibited from taking any money out of this program, being reimbursed for their expenses, which even if it's only 10% of total cost, it's still going to be 10% of total cost. If they are prohibited from taking any of those costs back, there's not going to participate in the program and get any energy efficiency out of the program. Our objectives are to try and make our housing stock more energy efficient and we're not going to be able to meet those objectives. Given that, I can imagine there would be a policy in there someplace which might put some kind of constraints on what it is that an apartment owner could do, but then you run up against the other problem which reeferseed mentioned which is do we really want to follow landlords around and ask them to justify rents. So I can't see a way forward to supporting the policy and I'm going to have to vote against it.

[Applause]

>> Mayor Leffingwell: Again, I will just say i agree with councilmember spelman. I think it's going to be detrimental to the goals that we're trying to achieve which are obviously energy efficiency. And I think it's going to be difficult to enforce. And I think just because there's a federal program that has this model in it, i don't think that's necessarily a prelude to successor indicator of success so I won't support it. All in favor say aye. Opposed say no. I believe that passes 4-3 with councilmember riley and myself and expect voting no. So the last item on our consent agenda is item number 95. You have three minutes.

>> Good afternoon. I'm susan move fit and I'm here to ask you to delay this item. As drafted, it could allow cota take all inimplemental related to these four event potentially skimming millions of dollars in the city and the state. The resolution contains no language for the city to withhold any incremental revenue from these events despite its clear statutory authority to do so. If council is going to consider this deal, we first need a detailed discussion about the estimated incremental revenue for each event and how much of that we need as a city to meet our own obligations to residents and taxpayers. Absent any language spelling this out, it appears the city is willing to simply let cota take it all. Further the item's late posting prevented council from discussing this tuesday and prevent many people from knowing it was on today's agenda. posting does meet the letter of the law, it doesn't meetity spirit by any reasonable standard. For the public to have confidence in knees deals you need to go the extra miles in transparency. You don't bury them on consent in the last council meeting before the holidays even though I know richard loves spending christmas with me and he's too shy to ask. If, finally, cota has already received substantial public funding including \$29 million from the comptroller just this week which the council enabled by serving as the endorsing municipality and another 13 million for water infrastructure. These were not applauded at the time but a majority of council viewed them in good faith in a project that would pay substantial dividends down the road. But if cota continues to seek substantial amounts of incremental tax revenue for additional events we then lose that financial benefit for our city, our state and our taxpayers. Cota is not a struggling startup out to save the world. It's a private for profit entertainment venture funded by a couple of guys who are already billionaires who walked into this with thighs eyes wide open. Its business model should not rely on endless public assistance for additional events. As you know, there are our successful annual events in austin that don't depend on skimming off millions in public revenue. If cota

can't figure out how to make this work they ought to put on their big boy pants and take their licks like everybody else. They should not be coming back to the city again to ask us to serve as the front man to extract more public funding at a time when residents continue to face critical need in health care, education and housing and I would note that Texas is currently first nationally in the percentage of children living in poverty including over 64% of aid students. It's the holiday season.

[Buzzer sounding] please ask who needs this more, billionaires or working families of Austin. Thank you very much.

>> Cole: Mayor, I have a question. I know you sent a letter but I don't have it in front of you. You said that if we enter into this, we would be allowing COTA to skim millions from the city or are you talking about the state?

>> Both. I mean, the tax revenue, the incremental tax revenue that would be generated by these events absent any participation in the fund would just revert to the city and the state under our normal taxing process. And if this -- there's a lot that's unclear and I appreciate [indiscernible] emailed me back to say this is an open question at this point because this is not terribly clear. But there is certainly the potential on how this is drafted to be in another deal like we are in with F1 where essentially all of the incremental tax that should be coming back to our community and to the state for public services actually is going to private businesses. In F1's case 25 million straight to London. And I just want to be sure --

>> Cole: That's because the contract language is not clear?

>> No, that contract language I think was pretty darn clear. What I'm saying is the resolution that you are voting on today leaves it open. It doesn't say who any incremental taxes coming to. It just would delegate authority to Seacock and COTA to set this up and I don't feel comfortable with that. Does that --

>> Cole: It does help and I'll bring you back maybe later.

>> Mayor Leffingwell: Councilmember Morrison.

>> Morrison: While we're on this topic, I have some confusion in my mind and I wonder if there is someone on staff that can talk to us about this issue also. Because what I'd like to know is is our -- for F1 and potentially for these, is the tax money the state sends to the city discounted in any way because we are -- because F1 is participating in the trust? Fund?

>> Is it downtown?

>> Morrison: Do we get anything less back than we would if they were not this the fund?

>> No.

>> Morrison: Okay. So that's a different understanding than what i just heard from miss moffett. The second question I have is if we approve this resolution today, it sounds like there's an open question as to whether or not we would receive our full tax check after these events.

>> Councilmember, I think in this case this action will enable -- in this case the city for cota to move forward to the state comptroller to request --

>> Morrison: I know that. I'm just wondering is there any way that an agreement could be developed if we approve this that would result in the city not receiving our full tax -- hotel and sales tax during these times?

>> I'll defer that to the legal department.

>> Morrison: Because what I thought I heard miss moffett say yes, potentially there could be an agreement struck that fits under this resolution that could end up -- that we could end up with a smaller tax payment. Some of it then instead going to another party. And there are other issues about this too, but that's a very fundamental thing that I think we need to get straightened out.

>> Councilmember, lila fireside on behalf of the law department. No, the way that this agreement would work would be, and the resolution says it would be similar to the agreement for fl where cota or sealock on our behalf would contribute the amount of money that the comptroller would estimate to be the city's contribution to the fund. And then they would get that back assuming that they submitted eligible receipts to document that the money was spent in accordance with the event support contract. That's the way the statute works. It doesn't prevent the city from getting the city's regular tax disbursements from the comptroller in ordinary course of getting those disbursements.

>> Morrison: That's a separate bucket of money and there's no way we could lose on that bucket of money under any scenario that fits this resolution that's in front of us.

>> Not as far as I know.

[One moment, please, for change in captioners]

>> mayor leffingwell: Because all we are doing here is to be a sponsor of these events, for purposes of the major events trust fund, doing the reimbursement of the state's funds only. Any money that the city would receive, the additional penny would come back to us.

>> The city funds would come directly back to the city, that's correct.

>> Okay.

>> I have a question for you. i have one more question.

>> Cole: I have a question for you. i have one more.

>> Cole: Okay. there is one thing about.

[Multiple voices] there is a posting which of course is allowed up until on monday morning to comply with the state's 72 hour requirement. That's true, that this was put in here. There is also three other items that were put in that 9:59 limit. There is no problem whatsoever with this procedure, I assume.

>> Open meetings standpoint, no. I mean it's not -- are you implying there is another standpoint that --

>> no, I presume that's the question that you have asked and there is not a problem with that. and one final question. When something like this is done, because our normal procedure in the case of staff would be to submit this item 10 days prior, and wednesday -- wednesday from the wednesday prior. So obviously this is something that came up and my understanding is it's a very time sensitive matter, that if we waited until january 17th -- what would be the problem with waiting until january 17th? Suttle can speak to this more specifically but my understanding is under the comptroller's rules and under the state statute, that the request has to be submitted four months in advance of the event and at least one of the events here would happen so that the january 17th timing would not work and that event would not be eligible for the funds. So there is not necessarily a way to continue that. I see Mr. Suttle in the chamber. Maybe he would like to address that issue.

>> Mayor, members of council, I am here on behalf of circuit of americas. Lee la is correct. Under comptroller's rule and statute you have to apply to see if you are eligible and if it works out four months before the event. She's also ruled that or hasn't ruled by intimating that you have to be in the city before you can do that. Circuit of americas was just placed within the city as of monday, december 10. December 10 this is the first case we can come and ask for this and this is the last council date that we can meet for motor gp. That's why we are here today. so the consequence of not doing this today would be basically not being -- this one event that's coming up within that time frame would not be eligible for this funding, and is there some likelihood that it would not occur?

>> There is likelihood of all of those things. One, we could not apply for the motogp which is formula 1 on two wheels. The motorcycle version of formula 1 and number two, without some kind of public assistance, the events don't work and there is a chance that it wouldn't happen.

>> So is there some back of the napkin estimate of what the revenue loss to the city would be as a result of not having this event there?

>> The economic study is in its infancy. It hasn't been started, but the numbers that I have seen to the city -- well, let's see. I have got to do the math in my head. It appears that the trust fund amount could be between 2 and \$3 million, so the math folks are going to have to help me. If the state's portion is 6 and a quarter and the city's portion is one of that, what is that number? Is it a seventh of it?

>> Mayor Leffingwell: Between half a million and a million? Or so?

>> It would be less than that.

>> Mayor leffingwell: okay.

>> It's substantial. It is another international event, much like formula 1. mayor pro tem had -- she is first.

>> Cole: Actually, I had a question of you and what you said, mayor. You were talking about what the state had agreed to as opposed to what we had agreed to and I wanted to understand that.

>> Mayor leffingwell: Right. Well, the state agreed to reimburse the delta, the difference between the -- the difference that was generated by the event, they agreed to reimburse that back to formula 1. And so that's -- that's six cents of sales tax, whatever the percent is of hotel tax and car rental tax, all of those three things together. The additional amount of revenue, tax revenue that was created by the event the state is going to -- the major events trust fund will send that back to formula 1 for the franchising, and maybe you can say that better than I could, mr. suttle.

>> I don't know that I can say it any better but I can say it a different way. The way this is structured, and we are proposing to structure it the same way formula 1 was structured and that is it makes no difference to the city as far as the tax revenue. All of your tax revenues are coming in to you -- we are back to the same thing we agreed back to in july. And that is there is no city money out under the proposal.

>> Cole: All we are doing is serving a fiduciary relationship in terms of a conduit, if we will, for this event to happen but no city funds on the line?

>> Correct. Unlike -- and I will just complicate it a little bit. You do participate in this fund regularly. You may not know it but you do. But at a different level. We are taking all of that risk away and it's a bigger deal but under the statute, we need you as the endorsing municipality to start this process. and just to follow up, as a matter of fact at the end of the day, even though the -- there is this churning of money between the major events trust fund and the formula 1 race folks, at the end of the day, at the end of the contract, it is basically a wash because they are reimbursed every year with those taxes and that money just flows back and forth until at the end of ten years, the net is zero, as far as i understand.

>> I am not sure exactly how that works because it is changed up now. It's not an advance funding. We are getting funding after the race as opposed to before. But it's -- it's revenue that is used to lure and operate an event that we may or may not be able to get but for the events trust fund and it is used all across the state.

>> Mayor leffingwell: But -- so at the end of the year, once they get the firm estimate on the revenue delta, then they reimburse, but then the following year, they get another infusion of sales tax, et cetera, receipts and then they reimburse that, that part. So it's not -- in other words, it is not cumulative? We are not adding up -- let's say, for just -- just to make math simple, 25 million this year and 25 million next year and 25 million as you've seen -- 250 million over ten years,

that's not the case. There is never going to be that much money out there, as I understand, the way it works.

>> Mayor. I am confused but I will -- I don't -- I don't know exactly what -- what I am saying is, they reimburse 25 million this year based on the firm estimates. Okay. The next year, the race is held again and there is more revenue -- tax revenue created, and then they use that money, that amount of money to reimburse for that event.

>> Right. Exactly. at that point they are still out 25 million, and that continues that process from year to year?

>> I see what you are saying. The difference -- the first time when we came through the process, the state had actually allocated -- at that point it was \$25 million to pay up front and then it was going to cycle in and out what we ended up doing is not using the money up front but after the fact so now we are on a roll after the fact it comes in and at the end there will be a final accounting when the races are all over and whatever the balance is, the balance is. but that could never really be more than one year's receipts?

>> Correct, because you have the event again and it fills the coffers again.

>> Mayor Leffingwell: okay. Council member Morrison and Spelman.

>> Morrison: But to be clear, the balance in the private sector's pocket is 250, 25 times ten. That money keeps getting drawn out. I don't want people to think that the money is churning in and out from the bucket of where the state is paying. That bucket accumulates 250 million?

>> It goes to help defray the cost of having the opportunity to have the event. You don't have the event, you don't have that money anyway, that's correct.

>> Morrison: Right, but that money goes into someone's pocket.

>> Mayor Leffingwell: Dollars that came from the event, basically.

>> Morrison: Right. That's the theory. Suttle, I do have one question you had about the times. You said that we couldn't apply -- the entity couldn't apply until we were in the city. So how is that different than when N1 applied, before it was annexed?

>> The controller is in the process of promulgating new rules and that is part of the new rule process that is coming. When it was originally started, it was not part of the rules.

>> Morrison: And we aren't quite under the rules yet, but we will be soon, is that the idea?

>> Yes. Yes.

>> Morrison: Got it.

>> Mayor leffingwell: Council member spelman.

>> Spelman: subtle, i would like to congratulate you as always on your willingness and your complaint's willingness to abide by rules that having promulgated but not yet codified. I appreciate that. We are dealing with four new races. None of these are formula 1. They are all going to be on the same track. You mentioned moto gp, your estimate and it was obviously preestimate but at some point you have an economist come up with what the tax effect of motogp will be nor the state and your guess is around 2 or 3 million.

>> Two or 3 million total including the state's portion and the city's portion.

>> Spelman: So the city's portion would be 17th percent of that and the rest of it would be the state's for example?

>> Right.

>> Spelman: Actually -- well, it would be the city, the county, the school district, all of that -- not school district.

>> The city and the state are the only ones that generate revenue, because it is hotel, alcohol, car rental and sales.

>> Spelman: Okay. Some of that will go to the city and we will collect it as usual. Some will go to the state and the state will collect as usually then put it into a trust fund.

>> Correct.

>> Spelman: Which can then be drawn down by celoc and cota.

>> Yes, and in order for that to be formed celoc puts its obligations to put the tax in. Celoc puts that tax in or money in and then it is matched by the state and that creates the trust fund and then as reimbursements are drawn out, they are drawn in the same ratio.

>> Spelman: The way it would be done -- minor event rather than major event, where we are actually pulling up city money, where we put in our dollar, the state would put in its 6 and a quarter and that would be the trust fund. In this case, you are putting in the city dollar an state putting in 6 and quarter as usual and that's the 725?

>> No in the major events it was the same way.

>> Spelman: I am sorry, the fl case, it is the same way.

>> Yes, celoc is -- through revenues is covering the city's portion. That triggers the state's portion.

>> Spelman: I was talking about a nonceloc cota event, a soccer association or something like that.

>> In the soccer association, the city actually puts it in.

>> Spelman: So your best guess for motogp is the city portion, meaning the celoc and cota portion and the state portion added together will be about 2 or 3 million bucks.

>> That can change, the economic study is in its infancy, yes.

>> SpeUME ALSO IN Infancy for v8 super cars, long series and world endurance championship.

>> Right.

>> Spelman: Gaze going a crystal ball, if you had to, if you had these four up, what kind of numbers are we talking about?

>> Motogp is the big one and smaller . And I want to say -- two of them actually will probably end up combining because they will probably run the same weekend so you are really almost talking about three but I want to say that total you are talking between, let's say -- let's say 5 million total in the trust fund on the high end and 3 and a half to four on the low end for total trust fund availability.

>> Spelman: To 3 and a half to 5, combining the amount celoc and cota will put up and the state will put up in the total incremental sales tax it is of having the events versus not having the events. Got you. Thank you.

>> Mayor leffingwell: okay. Next speaker is saldana.

>> Good afternoon. Paul with the northern trade association alliance. I have some other comments but I want to start off with a general statement, why support planning for f1 and the cota simply the city's problem? Looking at the resolution, i think the simple remedy is the way the operative parts of the resolution reads, it says council would authorize city manager to negotiate and execute any contract agreements necessary to effectuate this resolution but we don't know what those contract terms are. So perhaps coming back at a later time. The other question, too, i may have, staff can maybe answer later. I know at some point there was discussion about austin energy paying for electric substation valued at 1 million at the f1 site and my question is whether or not that has happened and so while technically I know the city's position and cota's position is that it will be paid back by future ratepayers but at the end of the day it is the taxpayers and tax ratepayers money and so I think it is an investment on the city's portion. What I am passing out is copies of the third party policy resolution that speaks to a commitment to comply with the standards and principles of the mbw ordinance with supply and construction and supply and opportunities for materials and services and so you may recall that our minority trade alliance had issues with the fact that unfortunately f1 was not captured under the old third party agreement but moving forward, I think any future events at the site would

certainly be subject to this and we just want to ensure that city staff takes proactive measures to make sure that we hold them accountable, while fl and cota did volunteer to try and be inclusive, you know, some of the intents on their part, I think, were probably not very genuine. As an example, they cite that african -- the african-american 78 but it ended up being the outreach coordinator who is african-american ended up awarding herself a 700,000-dollar contract and to me that is disingenuous. We also had several contractors who are listed on reports presented by the fl representatives and it turned out they were misrepresentation. One particular firm was listed as receiving a contract for \$265,000 but it turned out it was only a 10,000-dollar contract. Another firm was listed as receiving a contract for \$200,000 and they actually received 0-dollar contract. So we just want to make sure that moving forward, should you approve this, that we take all efforts to ensure that they are held accountable and that no efforts -- no events are made to circumvent the spirit and intent of the third party policy agreement and the mbwe ordinance and the last thing I will say and I will say it to richard because even though he and i disagree a lot, we are a friend it sounds like they may be giving out the fl edition, or cota for dummies. Many merry christmas.

[Applause]

>> mayor leffingwell: Richard viktrine.

>> Mayor, council, victor. I think we have two questions. The first one back to fl, is it clear that we get to keep our municipal revenues, that is the first question. The second question and i believe strongly that the fl agreement failed because though we got to keep our municipal revenues we did not successfully transfer the increased municipal operating costs to cota. They stayed here. That is the same thing as us participating in the fund and our expenses going to the fund so we lost out fundamentally on that, by those two things not being linked. Holding up a cato copy of our agenda today and I will use it as a hock copy of an economic development report from don hoy. This week we had extraordinary event in government. The public accounts knowing that the results of the fl event were not what were in the hoyt report paid 29 million, nonetheless. We know that hotel was estimated by the report, the gross economic activity to be 50 million. It came in at 30 million. When the norm was 10 million. We can back from that into the other revenue categories from the economy and their tax outflow to know that perhaps the incentive controller paid in the amount of \$29 million was more correctly \$4 million. That's as sounding. She -- that's astounding. She has the results in house, the facts, not an estimate. She pays off the estimate when she knows hotel is down and she knows other categories of economic activity are down. I am shocked. So in summation, I think we need to have much more clarity about this.

[Applause] even if we are made whole as a city. Meaning we have to keep our revenues. The racetrack gets to keep -- or stand for increased operating expenditures. When you buy into these agreements as a council, you are buying in to, if you will, the shaking down of the texas treasury by misuse of an economic development report, a forecast, that if you speak to academic economists, they are just universally dubious about these results, these reports and they put the direct economic activity in those reports consistently as overstated by 100% what we know to be correct. So please postpone or deny. Thank you. clay defoe. Clay defoe. Not here.

>> [Indiscernible].

>> Celoc, always an interesting topic. Proof of resolution authorizing the celoc to act on the city's behalf for purposes of submitting applications to the comptroller for the -- the state comptroller for the texas events trust and to be held in circuit of americas facility in austin, texas, it is in elroy texas, oh, wait, you may have an texed that, moto gp, super cars and the world endurance championship. Probably not the ironman triathlon so I don't see what it's so endurance based on that. Circuit of americas. I hope you remember the speech I gave to you about this organization that you've granted extra authority to celoc back on june 29, 2011, where i basically broke it down and gave a legal proof that we as citizens of austin, texas, paying the taxes here and funding essentially this organization, allowing them to have this authority, citizens of austin, texas, which was represented by you our representatives back in june 2011 that richard suttles of andburst and brown is now my attorney, unless i can consult and instruct suttles what to do on this package. suttles talked about the economic study and this economic study doesn't even exist, according to mr. suttles. Paraphrase, it is in its infancy and we don't have proof yet. So I don't know how we can do that without a economic study. He said it appears, not for a fact, that it appear it is tax reporting would add up to approximately 2 or \$3 million and I see leffingwell got so excited. Why are we so concerned about tax revenue when your duty here is to protect our rights. As patrick henry said long ago, you are not to inquire how you are supposed to be a great and powerful nation. You are only to inquire how your government can secure liberty, for liberty is the the jewel we must keep in order to prosper and to live freely. He says that it goes to defray associated with the event and I am not sure about that and as for comptroller combs, why hasn't this process been radiate and prepared yet. You gave him \$25 million up front. This is cota, each year for the next 9 years after this one. That was the last time cota came for a deal like this for you, when you approved formula 1 and authorized all of the waste and greed to go through, susan combs, comptroller of texas, you are not fulfilling your fiduciary duty to the taxpayers of this state and you will be shamed. Or maybe she does understand her duties as comptroller and refuses to follow them and that, you know, triggers other violations and other problems we will have to deal with here in the near future. Thank you for your time. I am sorry the mayor doesn't have the respect to listen to the citizens and I thank you for listening.

[Buzzer alarming].

>> Cole: Thank you, clay. Next we have will mcclout.

>> You know what, I just noticed one thing. Every time clay defoe comes up here and speaks and mentions richard suttles, mayor leffingwell leaves the room. Is that coincidence? I don't know. But I am -- I am here today to oppose this item, number 95. It reminds me of a used car salesman, a very pushy used car salesman. You've got to buy his car now. It ain't going to be here tomorrow. You ought to buy it now. Right now. Not knowing that the car is actually a lemon. It has faulty brakes, faulty wiring. Or it was recalled because it had tires that were made firestone in japan and the tires rolled over like they did twelve years ago on interstate highways. This is all done in a job with a hat -- this was all done on a drop of a hat and it's in its infancy with the economic study. You don't want government -- you don't run government like that. You definitely don't run a business like that. You know, I mean, if someone were to buy -- open up a circuit city and decide, hey, you know, we are just going to open up today. Never mind if the

wires are hanging down and everything like that. They are made of aluminum and not copper. They will just catch on fire. That's what this kind of reminds me of, unsafe. You've got to take your time. You've got to do it right. These people over here, formula 1, or the texas comptroller, they haven't taken their time and they definitely did not do it right. Susan combs, I don't know what kind of kool-aid she has been drinking out of, but preferably the rhino kind of kool-aid because she is supposed to be a fiscal conservative. This is not really fiscally conservative by a long shot. We are talking about 3 and a half to \$5 million out of the trust fund when 66% of children in aid are in moffett mentioned earlier. We need to do more for our middle class, middle income folks than we need to start doing what these incentives and tax write-offs. Let's just say -- let's vote no on this. 25% from what I understand of a tax break. Let them just have that. It's better than nothing. More importantly, we keep our dollars here in our pockets. Thank you.

>> Cole: Thank you, will. Next we have bill bunch. Bill bunch. Bill is not here. Questions, colleagues? Further comments? Motions? Council member tovo.

>> Tovo: I have a quick question for ms. fireside. So you've heard some of the questions that have been raised and -- so there is a question about -- and I will just read one of the questions from citizen -- from a citizen, that if couple approves this, this resolution before us today, all incremental tax related with the four named events go directly to celoc as the applicant or is the eligible for any of the funds and your response was that it was an open question because no agreements have been drafted yet.

>> Correct.

>> Tovo: I wondered if you had a follow up to that at this point?

>> Well, I do, and while cota has offered to pay the city's portion, that's not a decided thing. You could decide that we wanted the city to contribute the funds and then the city to get the funds out. And so it was in that context that I answered that question. If you are deciding that you want cota, celoc to put the money in, then the city get incremental taxes in the orderly course of getting tax revenue from the state. We wouldn't necessarily get them out of the fund because we haven't put any in.

>> Tovo: But the resolution itself said there would be no financial contribution from the city so I guess --

>> that was the offer from cota but I was mindful that it is up to council and council frequently does amend resolutions that come before it, so that was the context for my.

>> Tovo: To your response. And I guess -- I guess the question was asked of you before and I will just verify, that if we pass the resolution today, no -- none of the agreements -- one of the speakers mentioned, saldana mentioned we are authorizing the city manager to go forward and negotiate around execute and agreement that we do not have before us. So does the resolution that we are considering today allow for any of those agreements that have yet to be drafted, negotiated -- negotiated, drafted and executed, is there any way those could obligate the city to a financial contribution if we pass what's before us today?

>> No. The resolution specifically says that this authorization in no way obligates the city to provide any funds for any event trust fund that the comptroller determines appropriate to establish for these events.

>> Tovo: The resolution doesn't obligate us to but it doesn't prohibit it, either. Are you saying the resolution is clear enough that it wouldn't allow for any of those agreements to obligate the city?

>> Well, I believe that it is, but if you want to add something to it, you are welcome to do that. The requirements are also supposed to be consistent with the requirements for the major event trust fund that cota and celoc entered into and in those we did not obligate ourselves to pay any funds in. So the intent was to -- and to have the requirements and the other requirements to the -- except to the extent they are very specific to the other major event trust fund apply to these agreements so it wasn't -- i wasn't intending to do something that was going to reinvent the wheel but build on the work that you all had done in assisting in crafting those first agreements.

>> Tovo: Okay. So just to summarize the intent is, that there be no financial contribution unless there is an amendment to this resolution?

>> Yes.

>> Tovo: Thanks.

>> Mayor leffingwell: Ronnie reeferseed.

>> Yes, sir. Thank you. I am ronnie reeferseed and i am here to say no, no more, I want to ditto everything draws, clay defoe will mcclout but we have to say no. We have to keep saying no, no more struggling taxpayer dollars with number 95 going to support this yet another evil scheme so-called fl, short for chuckie farley 1 which the scheme chucks over all of us nonstop from now on and because it's petroleum spewing, noise polluting traffic and road destroying logistical nightmare, only benefits -- and only benefits these big pocket investors here, while ruining austin's fragile water table ecosystem. bunch with all of those other environmentalists? They were here earlier today, right. I guess we all have priorities. Listen -- instead let's listen to clay defoe once again, not mr. subtle. He is -- he is not working for our interests. He is probably meeting well ar -- he is not meeting with you right now but anyway there is no full fledged environmental studies that have been done here obviously. I mean, those things take time and effort but here, just like so many things, shoved through. Here we go, this is what we are going to go and where is botch here? Can we all get documentation -- I am wondering as a favor to the citizens, can we get all of -- can we get documentation of all of these moneys that cota was promised to pay so we are going to pay the city, they are going to do this, that, the other. Let's get all of that stuff written down as opposed to obligating us struggling taxpayers. We need it all written down, verified and certified, all of the special deals that we are supposed to be getting for this and it's -- it's not a good deal. Obviously it's a one way straight train aware for austin as the live capital of the universe and it's not good for anybody and even people who like those kinds of races, you can still watch them. You can watch them on television. You can go, like these rich people do. They travel all over the world to go see this. Let them keep doing that. I don't understand why we had to destroy austin as a beautiful place that it is, and it is. It is being

destroyed, not only the road systems but the traffic generally speaking. Like I said, the water table. It's hard to imagine a more destructive turn of events and I am still baffled. Where is the money coming from.

[Buzzer alarming] who is paying y'all off? What is the big -- there you go. Pye roblusky.

[Applause].

>> Hello. I just have one issue, and it stems from the statute, i am hoping to get a little wonky here for a second. 14 c quoted in the backup, if a site selection organization selects a site for an event in this state pursuant to an application by a local organizing committee. Now, in this case, the word pursuant means as a result of. So what is the swept of the consider what the intent of the statute is and the -- our senator watson, who actually wrote the statute and confirmed that the process is supposed to be that you authorize a local organizing committee first. Then under that authorization -- [applause] they make the application, and what I have here are four rate states that are confirmed already for cota. They are as follows. Motogp, the race state announcement was wednesday october 20th. Ly mans series, june 1st, 2012, world endurance championship, september 28, so these confirmed events have already been applied for by a local organizing committee. Unfortunately they haven't been endorsed yet. Now, this was the same problem that todd el hellman had because he applied as llc and the application had to expire, which he did and then you endorsed correct and lost lee as on dorised localized committee reapplied and was reaccepted and therefore I was not up here complaining when the second application to the major events trust fund was lawfully applied for. So I would hope that someone will check to make sure that what I am saying here is correct, that they should have been endorsed before they made the applications. Now, my whole case is wrong, if the city of austin or travis county applied for any of these events because y'all are lawfully allowed to and then have a local organizing committee, you know, follow through with the documents. So I would ask that one of you would follow up this with richard subtle to see what his interpretation of the statute is and I will yield the rest of my time. Thank you so much.

[Applause].

>> Mayor leffingwell: okay. That's all of the speakers that we have. I will entertain a motion on item 95. Council member riley.

>> Riley: I have got a fireside if I could.

>> Mayor leffingwell: Fireside.

>> Riley: When we were considering the original version of -- well, participation in the major events trust fund for purposes of the formula 1 event, we spent a lot of time talking about expectations with regard to sustainability and other issues, and those expectations culminated in an agreement with -- with -- that obligated the officials at celoc and circuit of americas to undertake certain measures addressing sustainability concerns and those -- the conversations on those -- on those issues have continued since that time, leading up to the f1 event we had recently and even since then and the expectation is that it will continue. We should have a report from our

sustainability officer in a few months. We expect ongoing dialogue to deal with all of the sustainability issues relating -- focused perfectly on that major event, but also on other events that are to be held at the circuit of americas. I say all of that because as we consider this action that will relate to several other events coming up in the coming months. I just want to make sure that we are not foregoing any opportunities to maintain similar dialogue -- really, that same dialogue, about -- about the sustainability measures in place at -- at that site. Is there any leverage that we are giving up by approval of this resolution that would relate to our -- the sustainability measures addressed -- the kind of sustainability measures addressed in -- particularly in appendix a of that agreement that we reached with -- earlier, a year or so ago with respect to this venue?

>> It's my understanding that the exhibit a requirements were intended to apply to all the events at the cota facility and i believe that that cota also understands that, and that is why the language in here states that the requirements of the contracts by and between celoc and cota and the city are applicable to these events unless the requirements were specific to the major event trust fund, so the intent of that language is to keep and move forward on those sustainability requirements. We understood those to apply to all of the events.

>> Riley: Okay. Approval of this resolution would in no way give up any kind of leverage with respect to those sustainability measures?

>> As far as I am concerned and I will be the one negotiating.

>> Riley: Okay. Okay. Thanks very much.

>> You are welcome.

>> Mayor leffingwell: Motion on item 95. Council member martinez.

>> Martinez: Yes. I will go ahead and move approval but I do have another question for ms. fireside.

>> Mayor leffingwell: Motion to approve by council member martinez. Second by council member spelman. Council member martinez.

>> Martinez: Can you speak a little bit about what saldana brought up in the third party agreement and whether or not it applies to this agreement or arrangement with cota?

>> My understanding is that the resolution that council passed relating to the third party agreements, and i believe he's provided it to you, specifically relates to the major event trust fund. We don't know that it's specifically applicable here, but the requirements that were in exhibit a relating to smbr requirements will continue to apply.

>> Mayor leffingwell: Council member spelman.

>> Spelman: If I were, through some awful chance elected to a state legislator, and I heard the sequence of events and the facts before us here, i would be shocked and appallappall and asking for investigations and leading for a charge to stop this travesty and eliminate the major events trust fund from the state budget, because i don't think that the state is getting a bargain for the 25 or \$29 million spending on tax revenues foregone. Don't applaud for me yet because I am going to shift gears in a second. I don't think the state is getting a bargain out of this. On the other hand, I am not a state legislator and I am not here to argue on behalf of all taxpayers in the state of texas. I am here to argue on behalf of taxpayers and residents of the city of austin and from the city of austin's point of view, this is a very good deal. What we are doing effectively is taking money from wichita falls and giving it to people who are putting an event on in the city of austin. If I were in wichita falls in particular, I would be really unhappy about this. I am not representing wichita falls. I am representing austin. We are getting the benefit of this stuff. We are getting four events out out of this deal. We got f1, regardless of whether there was 40% of the impact that was estimated by the economists that celoc hired, there was an economic impact. A bunch of people came to a real good party and had a good time and likely to come back next year. City of austin is better with f1 in it than it would have been with f1 not in it. And if the cost from our point of view of having f1 and progesterone motorgp and world endurance championship and so on and support it and say, state, whether you think -- if you still think it is a good idea and you want to put money into it to ensure this happens again in future years, we are really happy to pass this along. That's where I am. I am more than happy for these events to take place in austin texas and for f1 to continue to take place in the next ten years, particularly if the citizens of austin, texas, do not have to pay for it.

[Applause] and i would just add to that insightful analysis by council member spelman, which I largely agree with, which the purpose of the major events trust fund was to assist local economies, help local eco prosper. And I think that's what it's done in the case of the super bowl and wichita falls is losing out this year on this event, but maybe their time will come. It all depends on where these events want to locate but it's not -- as far as i know wichita falls has not been excluded deliberately from any big event.

>> Cole: Mayor. yes, I support it. Council member morrison is next.

>> Morrison: Thank you, mayor. You know, when I first saw this issue come to us, i wasn't quite sure where i was going to fall and I did vote against the f1 agreement, largely because of the huge sum of money that was involved from the state coughers. On the other hand, I know we do smaller events through this process very often and it is for volleyball and swimming tournaments and also and this is win was going to fall somewhere in between which raised questions for me of not knowing where I was going to land on that balance. But what's -- I have two issues that cause me serious discomfort right now. One is I am not sure austin and our pocketbooks were better off because of f1. We are still doing --

[applause] there is still an analysis. I know the city manager is working on a report about the cost to the city, because we expended huge resources and I have no idea if the order magnitude of those resources in any way compares and how it would compare to the tax revenue that we got from f1 and keep in mind that some of the tax revenue is hotel tax. That cannot pay for cops. They can only pay for things that encourage more visitors. So our sales tax revenue may not have

been large enough, big thump, to cover the city resources that were involved. So for me, that's still out. The second issue that causes me discomfort here is that when -- when we went through the discussion on fl, there were significant reviews and comments and changes based on those reviews to the agreement that was -- the contract that we -- was being done. If I recall, we had citizens reviewing it for us and to me found stunning things in there that needed to be taken out and were taken out, and so while we are getting -- what we are presented with here is a model that it will be with -- like that, I think it's too serious of an issue so just hand off and not have council responsibility and oversight on that. So I guess what that brings me to is, this is, for me, too early in the game to be able to be supporting this, especially because I assume that it's -- it could be well -- well be a multi-year agreement that celoc -- that is done with celoc here. So what I would prefer to see is that we wait. I know it means that the cota will miss out on being able to participate in the trust fund for the -- the first year on the one event, but I think in terms of taking a protective and conservative approach for the city, that we should not approve this at this point. So I won't be supporting the motion.

[Applause] mayor pro tem.

>> Cole: Thank you. I am from wichita falls.

[Laughter] and I am disappointed that they left us out but just -- lost this opportunity, but just like I do not represent the city of wichita falls, i do not represent the state of texas. I represent the city of austin. And based on the information that staff has presented about the financial returns to the city, I think that we have to seriously consider this. When formula 1 first came through, we went through a detailed analysis of trying to figure out exactly how that major event trust fund worked and how celoc worked in making sure that the city was not at any exposure as the state was. And we eventually got there and we only got there with the help of citizens who put in lots and lots of time and energy to make that happen. I am convinced after hearing professional staff testimony that we are not at risk any longer and that this is really serving as -- we are really serving as a conduit -- this will allow this to serve as conduit to allow others to come and i will say hotel occupancy tax, although it is not specified, it can be spent for cultural arts and preservation and many other items that are listed in the statute that we desperately need. And so I believe that when the final economic report is generated, we will see that the hotel occupancy tax, as well as the sales tax and the alcoholic beverage tax means that this was an event return on investment for the city so we will be supporting the motion.

>> Mayor leffingwell: Council member spelman.

>> Spelman: Just a word. I just want to say I agree with everything that mayor pro tem cole said and I also agree with everything that council member morrison just said except for her conclusion. I look forward like her, just seeing analysis of our costs and the revenues and other benefits that we got from fl, and if they are not commensurate then I reserve the right to change my mind. But based on the tendency event and based on everything about the event, at least on the fl case we got more than our money's worth for it and whatever we spent on making sure the fl event was a success was money well spent which was more than return to us in terms of tax revenue and goodwill.

>> Mayor leffingwell: Council member tovo.

>> Tovo: Yes, I appreciate the comments from the public and also from my colleagues. I guess having said that, i guess I also have to point out a few points where i disagree and one of them is that the city of austin, you know, in my opinion is not a conduit to having these events happen and it is very clear from looking at the circuit of americas site because they are already selling tickets as one of our speakers pointed out, they are already selling tickets for two of the events listed in the resolution. The event also will go on regardless of our decision and also I got an email from the circuit of americas when moffett was speaking, advertised for another event, though it is not talked about here. Events will take plus but what we are a conduit is to allow the events to receive public money that we desperately need the state to use on other critical basic needs.

[Applause] and so adds I said, when we -- as I said when we made a similar decision back a year and a half ago, I do not think the city of austin should engage in -- in being a conduit to allowing these events -- to allow recreational events to receive public funds when we have such a desperate need for those dollars to be spent in education and our -- our -- a variety of other programs and, you know, those -- the impact of those really draconian state cuts will be felt not only in wichita falls and our state but felt here in austin and so they do have a direct impact on the families in austin as our schools struggle for full day pre-k and others. I will not be supporting today's motion.

[Applause] all in favor of the motion say aye. Aye. Opposed say no. Passes on a vote of 5-2, with council member tovo and morrison voting no. guernsey, let's go pick up our consent items on the zoning cases and the public hearings, if we can, if there are any of those.

>> Guernsey: Yes, there are mayor. Thank you mayor and council, greg guernsey, planning and development review. 00 o'clock public hearings are closed. I can offer number 77, case c14, 20009, for 6810 mcneil drive, this is a zoning change request to community commercial or gr district zoning. Council and grco combined district zoning with conditions and this is ready for second and third reading approval. Item number 78 is case c1420120028, for property located at 301 and 311 colorado street and 114 west third street. The applicant requested a postponement of this item to your january 3rd meeting. Item 79 case c14, 20120106 for property located at 300 east fifth street, this is to rezone property to central business district, central reequipment district or cbd cure district zoning and we ask for approval on all three readings. However the applicant has noted change to application, 8 to 1 far from the original --s -- excuse 8 to 1afr, instead of 13 to 1 afr, and with that i offer consent approval on 00 o'clock zoning and neighborhood amendment planning and there is possible action, I offer number 80, case c14, 2008, 0159rca for property at 301 and 311 colorado street and 114 west third street, applicant also requested a postponement of this item to your january 31st meeting. Item number 81 is c1420120046 on 135 west slaughter lane and the planning and development review which is to grant community commercial conditional overlay combine district zoning and it is ready for all three readings and number 82 is c1420120049 for 2104 west ben white zoning change, a and -- this is ready for consent approval an all three readings, item number 83, case c14, 20120060, for the property located at 8401 south first street. The applicant has made a request for postponement of this item to your january 17 agenda. Item number 84 is case c142012-0108 for the property located at

5501 and 1 half ross road. This is a zone change request to community commercial mixed use, conditional overlay, for grmucl district zoning for tract one and neighborhood commercial mixed use, conditional overlay or lrmuco combined district zoning for tract 2. The zoning and planning commission was to grant grcomu for tract one and rmuco for tract 2 with conditions and this is for consent approval on all three readings.

>> item number 85 is case c1420120129 for the property located at 13685 north us highway 183. Staff is requesting a postponement of this item to your january 17th agenda. Item 686 is case c1420120132 for 13039 pond springs road to zone the property to general commercial services, mixed use or cs-mu combined district zoning. The zoning commission planning recommendation is to allow gr-mu-combined district zoning and this is ready for consent approval on first reading only. we have a speaker on this one.

>> Guernsey: We do. Sorry. Mayor. And the -- and that will be a discussion item then, 87 sh for property located at 1910 and one half brookshire lane. Applicant requested indefense nit postponement of this item and before it comes back to you, staff would renotify before placing it back on agenda. Item number 88, c1474-145-rcr. This is for if property located at 500 south third street. Staff is requesting a postponement of this item to your january 31st meeting. Item number 89, c c14h-2012-0011, this is a zoning change request at 612 west monroe to zone the property to single family residents historic landmark neighborhood plan or sf3hmp, combined district zoning. The planning commission's recommendation is to recommend the single family residences historic landmark and combined district zoning and this is ready for consent approval on all three readings. Item number 90, I understand from this morning, it was council's intent not to consider this item for at least 15 more minutes, so that -- we have to wait until 4:30. So with that, I will pause and those are the items i can offer for consent at this time.

>> Mayor leffingwell: okay. So the consent agenda on zoning cases is to approve items 77 on second and third readings, to postpone item 78 until january 31st, to close -- to approval on all three readings -- excuse me, third readings only, item 79. On item number 80, to january 31st, on 81, to close public hearing and approve all three readings. Eighty-two, to close the public hearing and approve on all three readings. Postpone item number 83 until january 17, close the public hearing and approve on all three readings item number 84. Post upon item 85 until january 17, to postpone item 87 indefinitely. Postpone item 88 until january 31st. Close public hearing and approve on all three readings item 89 and that is our consent agenda. Council member morrison moves approval. Second by council member . Spelman. Is there any discussion? All those in favor, say " passes on a vote of 7-0. None opposed.

>> And I can go to two items 00 o'clock, of possible action on public hearings and I can offer consent, first item number 92, conduct a public hearing and consider ordinance amending city code chapter 252 to make outdoor amphitheaters a and similar structures conditional use in all zoning districts even if the amphitheater or similar structure is associated with a civic or residential use, staff is requesting a postponement of thfs item to your january 31st meeting. The planning commission's code and ordinance subcommittee will not consider this or will reconsider this item again next week at their meeting on the 18th. Item number 93, this is to conducts public hearing and consider an oranges amending the city code, chapter 25-2 to create central austin university area zoning overlay district which a group residential land use is

conditional use and multi-family residence moderate high density mf4 district zoning. As you recall the last time it was postponed at this meeting, stakeholders from the -- I guess you can say the student side, the property owners that might have these uses, given that it's finals and students are preparing for that, they have asked this case be postponed until your valentine's day meeting of february 14th. all right. The motion to postpone item 92 until january 31st and item number 93 until february 14th. Council member spelman moves approval. Mayor pro tem cole seconds. Discussion? All those in favor, say "aye. Opposed say no? Passes on a vote of 7-0. So let's go back to the morning agenda, hopefully for the last time. And take up item 98. We have 7 folks signed up to speak. And if there is no objection, we will go to our speakers. Clay defoe.

>> Thank you, sir, I will keep my comments brief because if you haven't noticed in my speech, I try to show you the bigger picture instead of delving into the finer points. Sometimes it is easier if you tell people the bigger picture, this is an item to approve the city manager to identify potential resources up to 10 million u.s. Dollars that would allow the city to realize near-term opportunities for affordable housing projects and programs. And, again, you know, this is another sen drum of the reefersed addressed earlier. It sounds great. We need more affordable housing here in austin. We need rents to go down, which is what the market should be doing. Now there is a lot of demand right now and supply not at its best but it is catching up with all of these new high-rise condos I passed yesterday on lamar boulevard being built right near sandra marid erode right next to what leffingwell and others died the acor a inn and butler trail. It is a bad idea. Basically if you want housing in austin to be affordable, you will stop the government intervention in the employ. That's the -- if you stop the government intervention in the economy and that's the problem when you have these tax lap holes and you give these incentives to visa and circuit of americas and apple, and I know you think you are helping the economy but it is hurting. I spent a lot of time meeting with local business owners here in austin and a lot of people can't afford extra marketing to get their message out there, to attract new customers because small business right now is hurting. They don't have the big money that the big banks and corporations have and the workouts that these -- and the bailouts that people have been receiving is not part of that. I am going to the small business development and i will be there tonight on what is missing there but it is not about small business. It will be a nice kickoff for them but again \$10 million, it is not affordable housing. It is government expensive housing, would really be -- the problem would be alleviated if you stop meddling in the market. I thank you for your time. Please, I instruct you to vote no. i stayed here the whole time this time, mr. defoe. I hope you -- will mcclout.

>> It is wonderful, mayor, that you actually paid attention and you were here when mr. defoe was speaking. i focused like a laser.

>> Good. Well, okay. I am in opposition to 98 because I think we brought it on ourselves. Ninety-eight approve a resolution directing the city manager to identify potential resources up to \$10 million that will allow the city to realize near term opportunities for affordable housing programs and projects. Well, we had a project. It was called reduced bus fare, where you paid 5 bucks a year, and for medicare and disability fare card holders and they road the bus for free. You know, in san antonio, they still have free bus fare. You may ask, what does this have to do with affordable housing and programs. Well people need to get from point a to point b and when you jack up the fare to \$64 per month, you are breaking some people's bank accounts. Well,

we've got social services agencies. None are on the northwest side of austin, where the job growth is. And another thing to deal with affordable housing programs and projects in the transportation industry will give apple this bailout on parmer and this visa company will be on parmer area. Guess what parmer doesn't have? Bus service. And don't you think people want to get a job, the people who can't get a job are the ones who are transit dependent and those people who cannot get a job -- what happens to them? Eventually, when they are out of the unemployment insurance? What happens to those people? They become homeless. That's right. And then we are trying to sweep it under the rug, but it's going to get worse. What we need to do is we need to cut spending, lower the property taxes, lower the bus fares. Not only that, you know, i don't oppose rent control but rent control has to be done right and the right rent control would have to be to where we are providing for the people who have ssi or ssdi, a differential amount to be able to recover the cost of apar living. Apartments go for \$850 all over austin. Ssi only pays \$724 a month, that's after you subtract medicare. We need to find a way to equalize that. And that is a -- and now is a near time opportunity for affordable housing projects and planning projects. Thank you very much.

>> Mayor leffingwell: Ronnie reeferseed.

>> Yes, I am ronnie reeferseed. Following these articulate kin did spirits, and I -- kindrid spirits and I can't help but say right on to everything that was said and, again, it's 10 million-dollars of do gooderrism and let's stop -- instead, let's stop the give aways to apple, chuck e. Farley 1, all of these nightmare programs that I am sorry that y'all seem to find so easy to spend taxpayer dollars on but this is yet another one that we just can't afford and so this -- another thing of my -- my friend will spoke fondly, I guess, or he is positive about rent control. No, you are wrong, will. It is always bad news and always turns out to be bad news. So we need to stop the meddling. I know rent is hard for some people and way out of line here in austin, but for the city to be making up do gooder rules and make it hard on renters and people who invest in building places for people to live here, it just doesn't work out. So I am against it and I am trying to add my two cents to the fire here and hopefully you all pay attention to what we have to say for change. Thanks. ruby roah. Got somebody donating time to you. Carol, is carol here? You have up to 6 minutes if you need it.

>> Thank you. Good afternoon mayor and council and again I come to you on behalf of the people that are the working poor, the very poor and people on fixed incomes. I encourage you, council members, to find the money, the 8-\$10 million for affordable housing and home repair. I assure you the 42 families that are living at wood ridge right now, that are left, would have already moved out if they had been able to find an affordable apartment. You know, we are not very far in fact next complex collapsing. Just down the road, there is a huge complex over 1,000 apartment units that is -- that the code compliance folks are already working with these guys but they can't seem to get anywhere, so we are not far from seeing another woodridge and believe me the people that i represent and advocate for, they really need good decent place to live that's affordable. So please continue to think about the poor people and be sensitive and please do the right thing in -- in voting for this money that we are asking you, because we need it. Thank you very much. thank you. Charles clotman.

>> Thank you, mayor. I am Charles Cloutman with meals and wheels on more and current chair of the Austin Housing Coalition. I applaud you, Council member Morrison and Council member Tovo, for bringing this resolution up to find funding so we can repair houses, so we can keep people in their homes and so we can find matching funds for the tax credits and this needed projectness in this city. We are at risk of losing \$30 million if we don't make our match of 4 and a half million. I applaud you all for thinking ahead. City manager, we have total faith in you to find just \$10 million and so I realize we are not asking easy things. I realize -- but I also realize the need out there is horrendous. We see it every day. We are sitting on our hands now with no funding. It behooves us to help the most helpless around us. So thank you, I will keep it brief and I appreciate your support. Thank you, sir. Karen upon.

[One moment, please, for change in captioners]

>> It is a process that has matching funds elsewhere, for example, the housing tax credit program that Cloutman mentioned now has \$30 million that are reserved for Central Texas. If we are not able to participate financially, if the city is not able to put up funding to go with those projects, those projects will go elsewhere in Central Texas, and economic development benefits they create, any affordability benefits that they bring will go elsewhere. Our funds here in Austin have been structured in a way that make our projects much more affordable than tax credits in other parts of the region are. Our projects have been able to house the homeless. They've been able to do all kinds of things for really low income people. We've also, with housing dollars in the last few years, been able to help very low-income seniors to stay in their houses, to help keep their houses from falling down around them. I ask for your consideration that we begin the process for the tax credits in order to preserve our ability to participate those and bring those dollars to Austin. We have to have the funds ready and I ask your consideration in starting that process today. Thank you. That's all the speakers that we have. Council member Morrison. I would just like to comment that I appreciate working with staff on this and I know that this is a high bar to be setting. There's a lot of work to do, but I do believe that we need to investigate whether we have these opportunities or not. And I did want to mention also that we also today, earlier, passed a resolution that Council member Martinez and I had sponsored to delve in a little bit more to the housing trust fund, to understand what funds are going into it, are there opportunities for other funds to go into it, and what kind of funds should be available in the coming 20 years from the housing trust fund as well as -- as best we can guess, so these two resolutions together I think really help put us on a path of planning -- doing some planning for what we might be able to do for affordable housing, which clearly is a huge need and clearly we have programs and projects in place that are ready to really be serving the folks of this city. So I move approval, Mayor. Council member Morrison moves approval, seconded by Council member Tovo.

>> Tovo: I have questions. Mayor pro tem?

>> Cole: I have questions. 30 4:30 or 5:30.

>> Mayor Leffingwell: 4:30. Is Betsy Spencer here? Thank you, Betsy. I appreciate you providing the additional council questions and answers so quickly when I called your office trying to find out some information. First let me ask you about -- can you tell us how the additional funds was determined that would be needed?

>> Well, the resolution was sponsored by council member morrison. What we provided was information on what we've got in the pipeline with information that we have. So it was not -- council member morrison proposed the number. We just also have some information we had been working on to try to figure out what our immediate needs were. I can address the immediate needs that we have -- that we have presented to us.

>> Mayor pro tem? I'd like to comment -- council member morrison. and I did consult with staff and i settled on the 8 to 10 figure based on input from staff that, yes, there are \$10 million of projects ready to go, but also, as i understand it, we have sustained about that level over the past five to eight years, something like that. So it also showed that we have the capacity to manage that amount of productivity, so not only can we handle that, there is a need for that. So both of those lined up and that's how we got to that number. well, let me ask spencer, excluding the -- council member -- mayor pro tem cole.

>> Cole: thank you. Excluding the leveraging opportunities, how much do we normally spend in a year?

>> In the last five to six years of the -- just the go bonds along was a \$55 million bond allocation we expended in six years, so that on the average is \$9 million a year.

>> Cole: okay. So we need -- and let me first preface all of this by I recognize that our affordable housing bonds failed and that we have a need in the community for affordable housing, and I'm a major advocate of affordable housing. I'm just trying to make sure we get all the information back from this resolution that we need to make a good decision and that we give you good solid direction on that. 5 state income tax credit. How is that calculated?

>> All right. Let me do my math. Okay. So with the low-income housing credit program, as the previous testimony demonstrated, this region will qualify for probably enough for two projects. And so in that, those average 150 units each. Tax credits are currently selling for about a dollar a credit right now. So if I do the very quick math on that, we're at about a little over \$2 million per project. If we were able to -- if the local municipality were able to contribute about -- a little over \$2 million per project, that would leverage \$30 million of equity towards those two projects. So four 1/2 million would leverage \$30 million for about 300 units of affordable housing. tell us the deadline on that and how that works.

>> Yes, ma'am. The state will be accepting pre-applications through january the 8th. The deadline for pre-applications is january the 8th. In that pre-application what is required is that the applicants have applied to the local government for funds and have a letter that states, we, in fact, have received that application and are reviewing it. On march 1, final applications are due with commitments of those local matching funds. Come. so the deadline is march 1 where we as the city have to make a commitment of 5 in order to be able to receive the \$30 million in tax credits for central texas. Is that right?

>> Yes, ma'am. Yes, ma'am.

>> Cole: okay. Well, let me ask you, how much do we normally receive in federal funds, like cdbg and home funds annually?

>> So I can tell you what we have received for this fiscal year. We took a significant hit in our home funds. are we expecting that to continue?

>> We generally find out in december or january what our allocation will be for the next year. So this current year we lost 40% of our home funds. I don't yet know what we will receive from the federal government. We will likely again get those projections, usually it's december or january. but we lost 40% last year.

>> That's actually for this fiscal year that we're in -- we actually lost over 30% of our cdbg funds the previous year, so in total we lost almost \$4 million between the home funds and the cdbg in the last two years.

>> Cole: okay. Since you're talking about previous years, let me just ask for some additional direction what I think would be helpful for us to see back, and that is what we actually spent as opposed to you just trying to project needs or just find the needs or guess at them or estimate them. I would like to know what we actually spent, not that that is the current need, but it gives us some solid barometer of what the needs are for 2010 and 2011. And I think it would be helpful if you were able to distinguish what we spent from whatever source, geo bond money or other capital funding, from city funds to private funds to state funds to federal funds, because i don't think it's always clear the tremendous leveraging opportunities that are there, but -- and what we use, but the amount of city dollars that are actually on the line and that have been on the line for the last two years.

>> I can and ex-dotely tell you that -- anecdotally tell you with the geo bonds alone we've spent \$55 million or committed that in the last five or six years. We can go back and do the analysis on the federal funds -- let me ask you this. You spent all the geo bond money. With all the money that you spent geo bond money?

>> No, we also spent federal funds.

>> Cole: oh, federal funds.

>> So we can go back and get that information for you. I would like to state, though, of the funds that we've spent we typically 5 private dollars for every dollar that we spend out of our department, be it federal or the geo bonds. can you put that in your report?

>> Yes, ma'am. and I think it would also be helpful to see the categories, like what we spent between 0 to 50% of -- what we've spent on repairs, what we spent on ownership, what we spent --

>> we have all of that. We'd be glad to provide that. okay, and the last question I actually have is for council member morrison. I noticed that this item was slated to come back on january the 15th and not january the 17th. Is there a reason we're not doing it on a council meeting day or --

I fully expected. council member morrison. just a report and I wanted to make sure we line that date up with van eeno, and I understand he might prefer the 23rd as a report backdate. Is that correct?

>> That is correct, and that's only because one of the potential sources of funding we'd like to look at is how do we close out fiscal year '12 and we will have that report to council on the 23rd. We will not be able to report on that prior to then. yeah, I think that's -- so I guess I'd like to make the suggestion that we change -- we amend it to January 23, and I think that's the date we have for the housing trust fund information too, and as I mentioned, that may well play into where we might find some funds for -- for this. So yes, so I'm going to recommend the 23rd if -- I hope that's okay. council member tovo. before I accept the amendment I want to talk about the date. It was my part that part of the 15th was useful because if we needed to take action before the tax credit deadline of the state, we would need one meeting opportunity to do that. So can you remind me, spencer, what the deadline would be for the city expressing a commitment to any of the tax credit applications that are going forward to the state?

>> We'll need a full commitment in the month of February.

>> Tovo: I'm sorry.

>> The pre-application is January the 8th. As long as we have a firm commitment and/or action in February, that can be included in the application that is due March 1. then that friendly amendment is fine with me. I have a question for staff. It was indicated, I think council member morrison said that staff had said that kind of money would be available. Did I misquote through? yeah, you misquoted me.

[Laughter] so let me just ask you, can you tell us what the potential sources of \$10 million are? You may not have any idea, but --

>> we would like to do that report. I mean, of course council knows that we have reserves by the stabilization reserves and emergency reserves beyond \$10 million, but there's a specific purpose and reason why we have those reserves. You know, so that's -- it sounds like either out of reserves or as a result of a negative budget amendment in some other area, we could cut something or a series of things by \$10 million to come up with 10 million. Is that right?

>> If I might, mayor. city manager.

>> Those things that you mention are possibilities, as is what Ed Aveno just mentioned but he's being cautious because we want to take the time that we have to explore a range of options and to the extent that, you know, we can identify some other creative approaches, maybe to doing this, we want to have time to do this. So I guess I'm saying I just don't want to get locked into a particular scenario at this point. And I would also, related to this, just note that there are a number of other requests that council has made over time here recently. There's required funding that we're going to have to provide as well, and I only mention that because it concerns me, our ability to go back into the budget, to go back into our resources and find substantial amount of dollars on a repeated basis, relatively speaking, is just not sustainable from a financial

standpoint, and I think it's important to note that. It's just not sustainable. I'm not saying that we can't do this or the other things, but that path, financially speaking, simply is not sustainable. Obviously you want to take a look at everything, but to me I'm -- although I totally support -- I've supported the bond proposition for affordable housing, I support the city supporting affordable housing, two things. I don't know where a budget amendment could be made to free up that money. I would be very trepidatious about taking the money out of reserves because I think it's important we maintain our bond ratings and our reputation in the country for fiscal responsibility. And all that I'm going to support this motion, I do have -- I'm somewhat uncomfortable with the fact that here we are about to spend money on a project, worthy though it may be, that has been rejected by the voters. I just wonder what it would be like, for example, if, say, we had had a bond proposition to build a new library, as an example. The voters turned that down and then we went ahead and proceeded to start funding it. So I'm -- I'm going to vote for the motion and see what the analysis is, but that gives me a certain level of discomfort. Council member Martinez.

>> Martinez: thanks, mayor. A couple of comments. I wanted to ask the authors -- or sponsors and co-sponsor of the motion, the number 10 million is in there but obviously if we only get to 8 or if we happen to find 15, that that -- it doesn't preclude that from coming back in that fashion. Is that correct? It's up to 10. Absolutely I would -- sure, and I appreciate the conversations, because I firmly believe whatever we come up with it is going to be a patchwork of multiple sources, and, you know, as I said this week to the housing advocates when we met, the silver lining to the bond rejection for me is that in order to preserve a housing program that we really want to see in Austin, I think it's important for us to come up with true dedicated funding streams so that we don't have to rely on a vote of the citizens with something that's such a critical component of creating affordability and maintaining our values and quality of life here in Austin. I share the mayor's concerns about using reserves, but I daresay I would happily support \$4 million in reserve spending to get \$30 million in matching funds for housing. And so if it comes to that, I'm fully prepared to do that. I'm also prepared to face whatever backlash might come from citizens who are upset that we're doing something against their will. This is -- to me this is critical, and if we can find a permanent dedicated funding source, then every six years, if the citizens happen to vote in favor of a bond measure, it's a bonus, it's just an add-on to what we're already doing. So I hope that we can find some revenue sources, dedicate to this. I hope that we look everywhere possible for funds, including what was mentioned in one meeting this week, is if there are items in our general fund that could be funded through COs THAT WE FREE UP THE General fund revenue to dedicate towards housing and fund other components with COs OR REVENUE BONDS OR Something else. Again, I look forward to the conversation. I think it's necessary, and again, if there's any good thing about losing the bond vote in November, it's that it's placed this as a super-high priority in front of this council right now. Well, I would say I agree with that part of it. I think it shows the need for a reliable, steady source of funding for this critical need, to keep us from being in the position that we're in now, and we've made moved in that direction. We've established the housing trust fund that has a revenue stream associated with it. Unfortunately it will take a very long time to build those funds up. So it's not going to help this year that much. Council member Morrison. I wanted to make two more points. I appreciate the conversation. I think it's important that we get the issue out on the table about the fact that the housing bonds were rejected by a small margin of the -- losing by a small margin of the voters. That in no way says that -- I don't understand that to say the city of Austin should not be

participating in promoting affordable housing. That's a very different question that we haven't had a referendum on. So that's why I think that it's important that -- it fits into what my colleagues have said here, and that is we need to find other mechanisms for promoting affordable housing now. I do want to also recognize the city manager's comment that we need to be very careful about the fact that, for instance, we've already set some other priorities for some funding, and one of the things that in particular -- that I know that we set as a priority was to find funds to match -- to fund the 1115 medicaid waiver programs that are so -- that can leverage other funds. I think it's two and a half dollars per dollar, so those are -- some of those programs are like services for permanent supportive housing, and it's one of those situations where we would be leaving money on the table. So we already set that as a priority. And so I think that it would be helpful if staff is able to do this when you come back, and that is to help remind us of what the other priorities are that we have laid out as much as possible so that we are aware, fully aware and informed of decisions that we're making. One of the things that I ran into as I was working on these two resolutions, especially with regard to the housing trust fund, one of the issues -- the fundamental revenue stream for that that council had set aside some time ago was 40% of all tax increment, property tax value from -- essentially from publicly owned land. It turns out that, in fact, we tified some of those developments, which means that that funding, the 40%, going to housing, gets superseded by the tif. Those are really important things to have on the table because obviously the tifs are very important for high priority projects, but it means that we're bumping another priority off and we need to do that in an informed way with a lot of dialogue. So I really appreciate staff's help on these things because we have some important policy decisions to make to go forward. So thank you for your help. council member tovo.

>> Tovo: thanks. You know, I guess the other thing I would say is that we had a pretty lengthy discussion during the budget cycle about the affordable housing trust fund, and one of the changes this year is that the affordable -- several staff positions were shifted to being funded out of the affordable housing trust fund and we talked about it a lot and came up with a better compromise, but the fact is we did not fund in our budget cycle nhcd to the extent that they really needed to provide the kind of support for affordable housing in our community that they have in the past, and some of that was clearly an expectation of having some bond money to supplement that. So, you know, in my view, we deferred that decision in our budget cycle, but we do need to find some additional funds now to provide the kind of support to really critical affordable housing developments in our community and programs such krautman talked about which is the home repair program -- that helps one time residents of our -- long time residents stay in their homes. So in addition to the individuals for that individual and the benefits to our community to having that community stability of keeping people in their homes, it also has a really clear economic benefit because it's much less expensive to help someone stay in their home than to provide assisted living facilities. So I think these are really programs for our community. We have a tremendous need for affordable housing and we need to support it at the city level. And so this is one way to do this. So thank you, staff, for your willingness to look into the various funding options that might be out there. all in favor of the motion say aye.

>> Aye.

>> Mayor leffingwell: aye. Opposed say no. Passes on a vote of 7-0. Just in terms of order, i think we need to go back to item -- we'll take up -- so folks can plan ahead, item 86 and then item 94, and because it's last in order of time certain, item 90 would be last.

>> Thank you, mayor and council. 86 is a zoning case, case c14-2012-0132 for the property located at 13039 popped springs road. This is a zoning change were request to general commercial services, mixed use or cm -- cs-mu combining district zoning. The zoning and planning commission recommended this change to you on consent for gr-mu zoning. The property right now is about one acre in size and it's already developed with an existing shopping center on the property. There's an auto repair use, barber shop, retail uses and a couple residential uses, garage apartment single-family residence. The property owner's intent was to bring the zoning in compliance with the regulations since it carries an interim zoning classification. The surrounding properties for the most part are multifamily residences, to the north there's some office retail, and further to the south there is a single-family residence, further down, convenience, retail, and some offices. It was also recommended to you by staff, applicant is in agreement with the case, and he is -- the applicant mike mchone, if you have any questions. excuse me, any questions about this item? We have one speaker. Will mcleod?

>> I have a question about this. We're on pond springs. Is this exactly located -- says 13685 north -- wait a minute, 13039 pond springs road. i would assume that's where it's located.

>> Okay.

>> Mayor, if it will move it along, it's near the corner of hunters chase and pond springs, sir.

>> Okay. Well, there was -- I recall, like, a couple of fires and water main breaks over there not too long ago. I kind of caution that we change this zoning from rural residence to commercial services mixed use. With all the wildfire dangers that we've had, i don't feel that this is a good idea. All I just know is that I'm -- I don't know what they're dealing with there. Are they going to build a business on that plot? It seems like they are. , By granting it commercial services, mixed use. I feel that it should stay interim rule residence, or whatever would basically benefit the health and the safety of that particular neighborhood, because I know there's been incidents out there that we had problems with the water and problems with -- with fire out there. I just want you all to proceed with caution and if that means keep it rural residence, keep it rural residence. If that means the best thing to do is to change it to commercial services mixed use, then go ahead and do that. But I just want to caution you where that particular property is. And that's about it. Thank you.

[Applause] those are all the speakers we have. I'll entertain a motion on item 86, which is -- that's ready for first reading.

>> First reading. council member morrison moves to close the public hearing and approve on first reading, seconded by council member spelman. All in favor say aye.

>> Aye.

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

>> Thank you, mayor. now we'll go to item -- we're going to go to item --

>> 94.

>> Mayor leffingwell: 94. Let me just say council member morrison, you had some information about the school board you wanted to relay. I know that the -- so this is a variance from the distance requirement for selling alcohol, and I've been in communication with the representative from wheatsville and I've also been in communication with just one school district trustee. I know that they have a formal letter against this, but I wonder if I might ask, I understand that there's some agreements that have been made by wheatsville and I wonder if I might be able to hear those agreements with -- which make me very comfortable and I understand it makes the trustee very comfortable. I'll just say we have 72 minutes of testimony, signed up, and it's all in favor, and I had raised some concerns, and my concerns just to let you know have been completely taken care of now. So would that be all right, mayor, if we could hear from wheatsville? yeah, is that considered to be a hint? it's a hint that -- that you had --

[laughter] yeah, that i don't really think that necessarily 72 minutes of testimony encouraging us to pass this is going to be necessarily a positive -- a positive step for getting it passed.

[Laughter] -- take from that what you will.

[Laughter]

>> it will just take 70 minutes? yeah, something something like that.

>> Hello, mayor, mayor pro tem and council members. We actually have five people that are going to speak briefly.

>> Morrison: okay.

>> Because we're real excited to be here today, if that's okay. Thank you for the attention on this matter. I'm dan gel lot i, the manager at whites wheatsville I'm proud to represent them in our quest to sell beer and wine on lamar. So many values austinites hold dear, the value of community, people coming together to create more good for through the co-op. It's demonstrated through the hundreds of emails you got this week. It's being shown by the crowd that came out to support us today. Maybe by clapping or raising your hands you could show us who's here?

[Cheers and applause] wheatsville demonstrates the value of caring for others. Wheatsville's charitable giving every year is nearly 20% of our net income, more than \$90,000 has been given to community groups in the last two years alone. It's demonstrated through our staff, who demonstrate kindness and generosity and hospitality every day providing the friendliest store in town for everyone. My staff and I believe that the family-friendly comfortable environment we provide helps customers to carry forward in a more positive manner when they leave our store and head back out into austin. We think this creates more happy people in our great city and we

look forward to bringing this kind of great service to other parts of austin starting in 2013 at 4001 south lamar. Wheatsville is an austin institution that gives back a lot to our home town and we're asking the city council to give us some support back by granting a variance to sell quality locally handcrafted beer and wine we're known for. It allows us to be on a level playing field with all the national grocery competitors that we face and gives us our best chance of success in our newest endeavor. Some concerns have been raised about the safety of school children in richard school. Safety is important to us. We have an excellent track record as a responsible seller of beer and wine. At our store near campus we intend to carry that forward in our new store. We've never served under age drinking, and yesterday i received a letter from greg hamilton, drinking task force, commending us for our good work in this area. I sent you that email so i won't read it but they talked about us being an excellent -- can i interrupt you? What's your name again?

>> I'm dan jeloti.

>> You're one of the speakers signed up. So you have three more seconds. I'll give you ten because i interrupted you.

>> I had more time granted. oh, so whotion donating time to you?

>> --

>> there's a bunch of people. I'm almost done. Granted this variance, the council will allow us to move full steam ahead in our new store so we bring the austin feeling we have on guadalupe to that section on lamar. We feel wheatsville is the heart of the community down there and we're excited to deliver the same community spirit to 78704 and beyond. Thank you so much for your time. I'll answer any questions you have.

>> Morrison: mayor?

[Applause] thank you very much and I appreciate you taking the time to speak with the school trustees and all because we need to take their concerns very seriously. It's my understanding that the main concerns from the trustee I was talking to was that there was the potential for folks be to get inebriated a store and then go and be a danger to the students, and i understand that you talked with -- talked about that and are willing to work with the school district if you are going to do -- actually sell for consumption on-site?

>> Yeah, just yesterday it got clarified that tonight's variance is about selling beer and wine for carry-out only, not for on-site consumption, and if in the future we would have to come back to you for on-site consumption we would have a -- reach out to the local school and talk to the school folks and try to work something out that made everyone satisfied with that. okay, thank you, and I really appreciate you working with us on this and it's interesting because while there were concerns raised by the school, the other side of the coin is there is so much benefit to having wheatsville near a school because you can partner and you can offer healthy snacks and all that kind of stuff. So thank you very much.

>> Thank you.

>> Cole: mayor? mayor pro tem. while you're here, dan, I want to say -- how were are you doing?

>> Doing great. Thank you. I've certainly enjoyed working with you and everybody else trying to get us here today. I just want for you to clarify a couple of things and then if the other speakers need to talk about that that's fine. One is do you know how far away the closest single-family residence is?

>> I don't know that, actually. There's -- I think there's apartments primarily in the most adjacent neighborhood. I'm not certain how close the next single-family residence is. well, I think -- my information says it's about 150 feet, but because you have a store right next to the university of texas, I'm assuming that '6 you have successfully dealt with people under age trying to buy alcohol.

>> Yes, we have.

[Laughter] actually the letter that i referred to from greg hamilton's under age drinking prevention task force, he cites a situation where they actually came to our store, tried to have an underage person buy alcohol and they were rejected and we followed all procedures and protocol required on that circumstance, and we do that all the time. Not all the time, but whenever it happens.

>> Cole: good.

>> Most of the people are legitimately buying alcohol, 21 and over. do you have a clean record with tabc?

>> Yes, we do. okay, we've received hundreds of letters in support, and I'm assuming that that is all because of your terrific reputation in the community, but I still want you to tell me about -- this is close to the ann richards school; is that correct?

>> Yes. and I'm assuming those students would wear uniforms.

>> Right, we have somebody right there. Yeah, there's one.

>> Is that an ann richards student?

>> Yes.

>> Cole: are they speaking?

>> No.

>> Cole: okay. Well, I just want to go ahead and hear from the rest of the speakers and thank you for bringing out the crowd and I understand that you're trying to work with the school district.

>> Thank you so much. I appreciate your assistance.

>> Cole: all right. I have a list of --

[applause] -- people to speak here, I'm going to go through the list first, and then I'm going to have to go through the entire list because it's public hearing, and ask if there's anyone else that wishes to speak. But hopefully this list will be it. Robin rather.

>> Yes, sir, good evening mayor, council members and city manager. First I want to say for those of you that might not have been at wheatsville, it's -- I've been there almost every week for more than ten years. I racked my brain, I've never seen anyone inebriated at wheatsville. What you see if you haven't been there is people drinking mango smoothies and drink -- gluten-free barton creek sauce. That's what you hear -- barton creek sauce. I want to point out -- one of the reasons I came down here and I understand you want to leave but I feel compelled to say we have a lot of unsung independent businesses in our town and I think that wheatsville may be at the very top of the list. They're not a sexy tech startup. They're not a race car operator, but they're not asking for incentives, they're not asking for -- to move over the aquifer. What they're asking to do is sell the same beverages that every single grocery store in town sells. Wheatsville is one of the most family-friendly places. My son is in middle school. He has a lot of future potential girlfriends over at ann richards, and he's over there all the time looking at their farm produce from the local vendors and trying to figure out, you know, what to cook for dinner. I mean, it's a virtual classroom. So I really hope you all will support them. Thank you for even considering it. I do understand why the law exists. I've been to sam tasby middle school in south dallas which has a liquor store replete with wine and beer in front and wine -- druggies too. But wheatsville is so far from that it's not even funny. I will quote one of my friends, an ann richards parent, who said if you can't trust wheatsville who can you trust.

[Applause] thank you. I haven't seen anybody drinking in there either but I've seen some nipping at the kombucha. Pamela? Are you Pamela?

>> Yes, thank you. Hi, mayor, council, I am a parent of a kid at ann richards, and I just want to speak for other parents who have their children there and say that I think with wheatsville's showing of 36 years of responsible stewardship of their wine, alcohol beverage selling in the university area, that I think they're a trustworthy source -- or on trustworthy business to be located next to ann richards. I'm very impressed by their leadership in the local food movement for years and of course their work with community youth groups, and I'm very excited about the idea of having a source of fresh, healthy food right there close to the school. I'm looking forward to them working with the school. So I just want to say I'm in favor and thank you. Thank you.

[Applause] Rebecca Milansung.

>> Thank you. Mayor, mayor pro tem, city council, I appreciate the opportunity to speak today on behalf of wheatsville. Wheatsville is a much beloved local business, a generous member of our community, a long time member of the Austin Independent Alliance and an asset to any neighborhood. The customers wheatsville attracts are neighborhood citizens looking to live a healthier life, but more than that wheatsville serves as a neighborhood gathering place of families

and foodies alike. Looking to share a moment of -- a social moment, a healthy moment and looking to learn more about the world around us through healthy food. But wheatsville needs to be healthy as well. It needs to compete in its market as a grocery store. And so what we're asking today is that you allow it to do that by selling, you know, liquor off premises only and it's not a danger to the community. The kind of I guess clientele that they attract is an asset so any neighborhood and I would think that any area would be glad to have them as a neighbor, and I hope you'll vote for this. Thank you so much. rose marie flee?

[Applause]

>> good afternoon. clee or --

>> clee. clee, okay.

>> I will try to be brief. I'm very respectful of your time and I'm very excited you might be able to get out of here soon for the holidays, good evening, mayor leffingwell, mayor pro tem cole, council. I'm speaking to you today as president and board chair of wheatsville. The purpose of the wheatsville co-op is to promote cooperation, justification. This is the first line of our corporate bylaws and the principle by which we guide our work. Wheatsville is the only community owned grocery store in texas, founded in 1976 by a group of young idealists who I believe embody the true spirit of austin. We are innovative problem solvers, deeply in love with our austin community and we want to grow the impact of the best things that we're part of. Our founders, just as our 12,000 owners today, 12,000 owners today, believe that cooperation is the core of creating multiple benefits, which include creating dignified jobs in an empowering workplace, supporting the local economy, including the development of other local enterprises such as farms and product vendors and providing an opportunity for members of the community to participate as co-owners in a democratically run business, and also as customers being served by an enterprise that expresses their values and ethics in everything from our product selection to the way we treat the environment, to producers, and everyone else along the way. One thing I think is really special about wheatsville is we believe it is transformative for us to treat each other with kindness, generosity and respect, and as a member of the board of directors since 2005 I've been struck time and time again with the reasons our owners tell us that they love us. They have a deep respect and trust in our integrity. It makes them genuinely happy to come in the store, and seriously, I've often heard it said when I'm having a really bad day I go to wheatsville because i know when I leave I'll be in a great mood. And parents enjoy coming shopping with their children and that blew me away the first time I heard it, that their kids feel loved and appreciated by our staff and parents are really grateful to have a place this they really enjoy going shopping rather than having it be a nightmare that they try to avoid. We're excited to be able to partner with the ann richards school. It's an organization that nurtures our youth and another, it's a school that cultivates young women to become leaders. I really believe we have a tremendous legacy of doing both these, especially with regard to cultivating women in leadership. I think we're distinct from most companies and especially in the natural food sector. Our nine member board is composed of five women and half of our management team is composed of women, with some of the same sector competitors have zero or two women on their board director level. So I know that you have a sense of all the great things we do by the hundreds of letters you've heard from this week and you've seen tonight. I want to close with one

final thought which is 2012 is the international year of the co-op as declared by the united nations and in kind of commenting why that was made so, the secretary-general, von ki-moon said, co-a reminder that it's possible to have economic vitality and economic viability. thank you. That's your time. So I'm going to go through --

[cheers and applause] I'm going to read the rest of these names and understand you don't want to speak, but if you do, come on down front, but I'm going to read through rapidly. Douglas at son, john vincent, gabriel gallegos, jesus martinez, dave sullivan, rose -- she already spoke. Mark rotner, bill bikler, sara wagner, kerry McCALLUM, MAX ELLIOTT, Marian melotot, jan payne, georgia kaiser, frederick -- I'm into the nos now. So that's all the names that I have. Clay defoe and ronnie reeferseed. Okay.

>> Well, I hate to seem like a naysayer in all this love and joy. I've spent lots of -- many years and lots of money at wheatsville, and, in fact, well, one day not too long ago I was standing there and out of one side of one of their mouths the guy was saying, you know, it shows here on the books that you, ronnie reeferseed, have spent over \$3,000 in this store over the last year. And by the way, you can't have any samples anymore. You, ronnie reeferseed, and only ronnie reeferseed, you can't have samples anymore. Huh? What did I do? I had a sample. So that's why they have samples. They have samples out there so people can check it out, and decide if they want to buy an item. But for some reason the management decided, well, that's just not good enough ronnie reeferseed, even though, again, he just spent over \$3,000. I'm a very poor person. I don't have money, and for me to spend \$3,000 anywhere is a huge gift, and for them to throw me out, in effect -- I threw myself out. I don't give them any business anymore. So, you know, wheatsville is fine and good. I pecially blood flow the alcohol issue is a serious one and those rules are made for a reason and I don't understand why even though they're overall happy-go-lucky about wheatsville why we would even be considering giving them any extra space as far as making alcohol available to children. Alcohol is poison. That's the reason we have our jails full of people for crime. The other reason is our government chooses to throw away lifetimes of nonviolent criminals, that is, marijuana offenders. That's the other big part of the jail system, but the part that's consistently thrown in there for violent crime, it's alcohol-related. Alcohol is a poison. So I'm entirely in favor of any alcohol-related caution as far as building school -- next to schools, and that was there for a reason, and I'm sure, like the point they made about everybody else sells alcohol in this town, well, but they all have to conform with these rules, and this is -- this is an important one, and so I'm signed up as neutral but I'm kind of leaning negatively about good old wheatsville. In spite of all my years in business and thousands and thousands and thousands of dollars I've given to them, and I'm generally in favor of freedom for -- for businesses, but in this case I'd like to be the one person to say no. No! Thank you. all right. Is there anyone else who signed up to speak or thinks -- clay defoe.

>> Thank you, austin city council, this is a rare item for me because I am supporting this resolution, which is rare that I support anything you guys do here.

[Laughter] but -- and I definitely understand ronnie's beef here, but I'm going to support it because I am an owner of wheatsville. It's a great, all-natural food co-op and it's awesome seeing city council filled -- see the hall filled with you all. People are passionate about good healthy delicious food and we need more businesses like wheatsville co-op here in austin. So I'm not

going to talk much but echo what the other speakers were saying. You know, and honestly i don't really believe much in zoning, as you guys probably know by now, and I think we need to follow houston's example. So people that go to wheatsville are very responsible and I don't think you're going to have any trouble at the school or why they would even go over there, I don't know, but let's vote yes. I instruct you all to vote yes on this one. Thank you. thank you, clay defoe. Is there any -- other --

[applause] is there any other speakers? If not I will --

>> will mcLeod?

>> Cole: will mcLeod?

>> I believe I signed up neutral on this. I do have a concern about the alcohol issue. However, they do have a track record, a good track record over at the guadalupe location. I never seen any problems. I'm wanting to know if this is actually the old harvest on south lamar they're trying to do, and also i have a question, can wheatsville still operate without an alcohol permit? Could they still deliver the same services over at their south lamar location? That would be something to consider, and then maybe on down the table, about a couple more months later we can have the discussion of, it's like, hey, you know, looks pretty good. We haven't had any fatalities or under age drinking records, even though they have a good track record with the tabc, the holidays are coming up, and the holidays come up, a lot of people hit the road, and then they party and they seem to forget that drinking and driving make a deadly combination. So just keep that in mind. I like wheatsville. I've been there a couple of times. It's hard to find good produce. by my house is horrible. I won't even buy the produce there because there is flies all over the sweet onions, and I said, huh-uh, no more. When I go to wheatsville, you have some good produce at that location. And hopefully they can consider, you know, either way, whether not to have the click beverage license or to have an alcoholic beverage license and operate the location over on south lamar because I think they'd do well in south austin and i think south austin needs to have the same thing. My other concern is reeferseed over here made an issue about samples, and, you know, I would be mad too if I spent a lot of money and they told me we're going to make this special rule where you can't do this. I've had that happen. Not at wheatsville, but I've had that happen before in my life. Let's just say, I had that sort of happen with at&t, and they're really horrible to deal with. Wheatsville, they look like easy going people. I'm a good judge of character, but however, if you need to modify it to where, you know, hey you don't sell a certn type of alcohol, then go ahead and do that, or we can work something out to where it be the nonalcoholic wheatsville, that's fine too. But I hope wheatsville reeferseed and lets him do samples in their store. Thank you. is there anyone else that would like to speak in this public hearing? Anyone else? Council member martinez moves to close the public hearing and approve the resolution, seconded by council member morrison. Discussion? All in favor say aye.

>> Aye.

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

[Cheers and applause] without objection we are now in recess for live music and proclamations. Be it known that whereas be it known that whereas trep daishes so it's time for live music in austin, texas at oust city council. Something we've done now for a number of years to support our reputation as live music capital of the world. So today we have a soul band called extreme heat. They've been performing for five decades, and recently celebrated their 35th anniversary. I guess some math on that -- congratulations on all of that.

[Applause] so extreme heat cut its musical teeth playing legendary -- in legendary austin venues, including the armadillo, liberty lunch, steamboat, antones's and the sax and pub. You're dating yourself there. During the '80s and '90s extreme heat's eclectic jazz wok influence sound was heard throughout tech as a constant presence at the clubs and music festivals. It's also drip that the band released four albums and were winners of leaders' polls and the subject of reviews and articles in music publications across the state. The band has traveled and performed extensively throughout the entire country. New releases, cds this year, live at the sax and pub and put some -- put some weight on it. Put some weight on it. So extreme heat continues to entertain audiences with funky old school sounds, 35 years after their inception. So let's hear some of it now. Please help me welcome extreme heat.

[Applause]

[♪♪ music playing ♪♪]

[♪♪ music playing ♪♪]

[cheers and applause] you guys are good. That was great. That 35 years show. 35 Years of practice. So you now have an opportunity to give yourself a few shameless plugs. You can tell us where you're playing and your web site where people can buy your music or anything else that you want to plug.

>> I think my plug is going to be to plug austin, the greatest city on earth.

>> Mayor leffingwell: okay.

[Applause]

[inaudible] mayor leffingwell, we appreciate it. Thank you to the city council, thank you to all the people here at the city. We appreciate this honor. We're humbled by the support we've had all these years and [inaudible] go to our web site which is extreme heat austin.com.

>> Mayor leffingwell: great. Okay. Now for the important part. The proclamation in your honor. Be it known that whereas the city of austin, texas is blessed with many creative musicians, whose talent extends to virtually every musical genre, and whereas our music scene thrives because austin audiences support good music produced by legends, local favorites and newcomers alike, and whereas we're pleased to showcase and support our local artists. Now, therefore, I lee leffingwell, mayor of t city of austin, texas, the live music capital of the world, do hereby proclaim december 13, 2012 as extreme heat day in austin, texas.

[Applause]

>> [inaudible]

>> so now is one of those bittersweet times we are here, live music and proclamations, every now and then, and that is honoring a retiring city employee with a distinguished service award. And so we're very pleased tonight on honor tammy yanes, for her service, so many years of service on our municipal court. It's my pleasure to read this distinguished service award which reads as for more than 24 years -- she doesn't look like she's been working 24 years.

[Laughter]

[applause] -- of extraordinary public service to the citizens and customer of austin, as an outstanding city employee, tammy yannes is deserving of public acclaim and recognition. Tammy provided exceptional customer service and was a thorough and conscientious as she dealt with multiple and diverse assignments. This certificate is presented in acknowledgment and appreciation thereof, this 13th day of december, the year 2012, by the city council of austin, texas, signed by myself, lee leffingwell, austin mayor. Congratulations to you. God speed. I hope you have a great retirement, and don't be a stranger. Would you like to say a couple of words?

[Applause] okay, you don't want to speak and I understand that completely, but you have to take a picture with me.

>> Okay.

>> Mayor leffingwell: okay.

[Applause] toaf to have hi, I'm incumbent kathie tovo ann and it's my pleasure to brawn and wills for this next presentation. A few weeks ago I was reading one of our local papers and was really captivated by one of the stories within the newspaper. It was a story about a really unexpected encounter, an instance where an entrepreneur who had experienced a big rejection had embarked on what he called the hundred days of rejection therapy project, and this was something he was documenting and broadcasting on the internet, and each day he came up with what would seem to be a pretty impossible request. He would get the expected no, film it and put it on -- put it on youtube. And then one day he walked into krispy kreme here in austin and encountered braun, and he asked for her to make a doughnut scheme in the shape of the olympic rings, and his great surprise, she responded pleasantly and the creative braun came up with the doughnut scheme that you see up there on the screen. And the story has garnered national, perhaps international attention. Millions of people have viewed the film and have been touched, as I was, by this extraordinary anecdote about, really, in this time of giving and focus on, you know, interactions and building relationships, this real story that just illustrates a great generosity of spirit. So it's my real privilege today to present this proclamation to ms. braun. Be it known that whereas it is a vision of the city of austin to be the most livable city in the nation, and whereas the citizens of austin are the most vital component in the rich urban fabric that makes up the remarkable city, and whereas, through her creativity, dedication and appreciation for excellent customer service, jackie braun has brought great honor and recognition to the citizens

and to the city of austin. Now, therefore, I kathie tovo on behalf of lee leffingwell, mayor of the city of austin, texas, do hereby proclaim december 16, 2012 as jackie braun day in austin. Congratulations.

[Applause] and I'd like to invite braun to say a few words if she'd like.

[Laughter]

>> I'm just going to say thank you. I mean, it's really funny how four doughnuts have gone so far.

[Laughter] but one devil of an experience, I tell you.

[Laughter] thank you so much.

[Applause] and now I'd like to invite chief acevedo and the staff of blue santa and plu santa himself up here, and this is a proclamation that I am presenting with council member morrison, and I just wanted to say a few words about it. So 40 years ago blue santa was started and it now serves more than 3,000 families in our community and provides them with a holiday meal and a box of gifts for their family. And this is an extraordinary outreach to our community, and this is a program supported by the austin police department as well as the austin water utility, austin energy, other city staff, many private businesses and many, many individuals in our community, and I had an opportunity to stop by the warehouse earlier this week and can confirm that it is just full of many volunteers hustling and bustling around to get ready for this saturday where many of us, myself included, will be delivering gifts to families in our community. So maybe I'll see some of you there. So I just want to congratulate the folks behind me and the many, many others who have helped row blue santa on 40 very successful years.

[Applause] I would like to just highlight this is a very special year where everybody has kicked into high gear and performed a service well beyond what anything was expected last year, and so these folks were not going to let kids be disappointed in the city of austin. So thank you for that. So I'm pleased to be able to read this proclamation. It says be it known that whereas we're pleased to congratulate operation blue santa on 40 years of making christmas bright for thousands of austin families, and whereas starting with two officers providing toys for 20 families in 1972, blue santa is now a nonprofit community-based corporation -- excuse me -- organized by the austin police department and supported by the texas national guard, the austin fire department, austin water utility and austin energy, that serves more than 3500 families, and whereas apd credits the big hearts of austin citizens, businesses and civic groups that provides support each year and have certainly come through during recent setbacks, and whereas we extend best wishes for a wonderful holiday season to the sponsors, volunteers and beneficiaries of this year's operation blue santa, now, therefore, I on behalf of lee leffingwell, mayor of the city of austin, texas, do hereby proclaim december 15, 2012 as operation blue santa day, in austin, texas. Congratulations. Santa!

[Applause]

>> wow! When you can make blue santa go ho ho ho you know you're doing something right, and council member, just for the record since people are watching, you know the spirit of christmas is alive in the holidays when even reeferseed is applauding over there. Dafoe didn't but reeferseed you did, but you'll be on the good list for once this year. But on a serious note, council members, I just want to say that it really is a privilege for us in the austin police department to really go out and really beg -- I would sayboro and steal but we don't do that, but we do beg, for children, and this year everybody knows we had a real tremendous challenge when the christmas bureau had a misstep but we're on top of that and don't worry, we'll report back on that. But we put out a call for help and you two immediately called and said how you cou. And this whole community has responded. And I really believe that a person and individual, their true character comes out when faced with adversity and in austin, texas, central texas this year we have shown that our dedication to the children and the spirit of christmas and the spirit of the holidays is alive and well because when we put out that call for help people responded. So thank you, austin, and remember, saturday, go to [wtp4 blue santa.org](http://wtp4.blue.santa.org). Look at our four locations. Look at what the fruits of your labor will deliver this saturday and that's a lot of joy. Bring your families. Council members will be there. We'll see you december 15, 8:00 a.m. Reeferseed, I want to see you on your bicycle. You'd better show up. I'm watching out for you. If you can make it to council every thursday, and you two dafoe, I'm not laughing. You better be there. I know where you live. Merry christmas, everybody. Happy holidays.

[Applause] www. ecl) test.

>> Testing 1, 2, 3, 4. Austin city council meeting will return after recess. I iii. we are out of recess. I think we begin with our pud briefing, if we are ready, staff is ready.

>> I am jerry russell with the planning development and review department. This is case cd200120021. It's located at 211 south lamar boulevard which is at riverside lamar and it is proposed planning the 33-acre site that currently houses the taco cabana restaurant as well as the parking lot for if paji house restaurant and the proposed development will be 175 condo residential residents and 9,004 square feet of retail and pedestrian oriented uses. The existing zoning tract is cs v and cs commercial service uses and vmu zoning and applicant is asking power of 96 of height and across the project you have landing for the pfluger bridge. To the west you have the parks and recreation offices. To the south the bridges condominium and to the south butler pitch and pot and the staff reviewed the development assessment and we believe the applicant will be able too achieve tier one and tier two standards as required in the pud. Some things applicant are doing through superiority, green store green builder, exceeding -- providing water quality controls, public art and community means space and the applicant is in discussion with the public works department and the transportation department with possible bicycle improvements that may be going in lamar boulevard. These conversations are in the very early stages. However, the developer is agreeing to participate in those discussions. As I said, the developer is requesting 96 feet of height. My note is that 96 feet of height is the maximum height that would be allowed in the butler shore district of the water front overlay where this property is located, had the water front overlay bonus program been in effect, as y'all notice not in effect yet, the war front overlay board is working on determining the items that people can use to receive the extra height. However, in this case the developer is proposing not to go above the 96 feet that the height would be with the bonuses. So essentially what they are doing is proposing the

bonuses as part of the pud in lieu of the provisions that would otherwise be a part of the water front overlay and the developer is proposing because they are exceeding baseline height of 60 feet in cs. They are proposing to do affordable housing or the fee in lieu of for the amount of square footage in the project that is the -- above 60 feet. So with that, I am available for any questions and the developer is here to give a presentation if you would like to hear it. yes, we will go ahead and hear a presentation.

>> Mayor and council members, I am steve drenner on behalf of the applicant. We are excited to be here tonight to talk about this special site and what which hope is a special project. Let me -- and what we hope is a special project. Let met walk you through pictures that won't only refresh your memory as to the site but will give you a better feel for what it is that we intend to build. The site is approximately 1 acre. It is at the hard corner of riverside and lamar. Obviously lee barton is our eastern border and our southern border is the bridges project. The same principle that was involved in building the bridges project is involved in this site. And we also -- that principals will owns the baggy house site as well. rusthoven mentioned is a combination of cs and cs v. It is an an usual site for many reasons. One of which is if you look at this map and you look at the greenbelt parks in the general area, it is obviously a thread that is at the edge, if you will, of the lamar development. And this map, I think, is particularly important because it shows where we are, vis-a-vis the water front overlay and as you will see we are not in primary setback or secondary setback areas. rusthoven mentioned, we are in sub district 13, the butler sore sub district which has maximum height of 96 feet which is the height -- the maximum height that we would be requesting with the project. A coupl photos that i think, again, from orientation standpoint, our proximity to the pfluger bridge, this was a picture taken out of the spring project and, again, it shows you that relative proximity. And then looking from east to west and the relationship to the -- with the site to the bridges project. This was the original design that we started working with, as I mentioned earlier, the same principal was involved with the bridges project. This was actually designed at the same time that the bridges project was designed, so it was intended to be this u shape facing the water at that point. When we started working in earnest about a year and a half ago with this site, one of the early things that we did was talk with the bridges residents and one of the issues that they had was that they didn't like the fact that, even though, from a height standpoint, whether it was 60-foot or 96-foot, that that would be kind of a solid wall along that border. The bridges was built, again, anticipating this, there were no windows, for instance, on the northern edge of the bridges, but we started playing with this design, first tweaking it to see if we could open up view corridors and so forth and finally kind of set those plans aside and looked at it anew with a different orientation. So that orientation basically reverses the u so that you have courtyard facing the bridges courtyard and I will show you as the height sort of steps down from west to east, as you get closer to lee barton. I think that does a number of things, in addition to, i think, making it a better neighboring property for the bridges. It's also, I think, a better neighboring property for the paggy house and it creates a better retail edge, particularly around the riverside edge than the prior scheme did. So the comparison between essentially those two designs. And really our choice that we labored long and hard trying to figure out is whether to move forward with a stick built apartment project at 60-foot, which would not require zoning or any variances, or to go through this process to build a project up to 96 feet that has an opportunity to be a condo project and that would accomplish some things that are both, we think valuable to the owner but also valuable to the public and to the neighboring properties. This is a scheme to help you understand the -- the -- the way that the

property steps down, if you will, so that in the right top corner, that is lamar running in front and then riverside, it runs perpendicular, and so we would have 96 feet long that edge and -- feet along that edge and then down the riverside edge but not all the way down to lee barton but then you see the darker colored, that's about 78 feet and it wraps the lee barton corner and so if you look directly below that and see that image, you will see the wrap of the 78-foot high element and then if you go to the far left, you would see the edge that's closest to the paggy house and closest to the bridges and it drops down to 50 feet in height. So a tier-down effect and also something that would allow some architectural interests you wouldn't get with a 60-foot wood frame project and that has just a flat 60-foot level. From my building section standpoint, we would have three floors of sub grade parking that would be residential parking and then the -- you would have parking on the ground floor but it is totally surrounded by the retail elements, so let me show you. You would not see any parking above grade and then you would have 8 floors above that, of residential. You would compare that to the 60-foot, which would have had -- which would have no retail on the ground floor and that's one of the key things that we -- we wanted to achieve because we think it's -- it would be important not from an economic standpoint but to the public and to create the right kind of mixed use project, which you would see the difference in the -- in the two. You would only go two floors sub grade with the residential project versus three with the -- excuse me, with the 60-foot project versus three with the 96. This is the ground floor. If you -- on the left side, on the lamar side, you would see that that's -- that's a retail edge all the way that wraps that corner, and then continues with probably indoor/outdoor restaurant at the edge closer to lee barton, and then we would have our lobby and leasing office on the lee barton side. From ingress and egress standpoint, we would only have an up depress only on south lamar and that would go to the retail parking. And most of the traffic for the residence would be off of lee barton. That would be ingress and egress off of lee barton. One of the reasons that we limited the egress on south lamar was not to have a conflict with the existing dedicated right turn lane that crosses in front of the site. So we would be parking the retail on the ground floor and that would include, as i will detail later, parking for the paggy house. This is a perspective that -- these are the only things that I ever understand, is when you start seeing them in three dimensions and this is looking hard at the lee barton corner, in the foreground with lamar and zack scott across the street. These perspectives, I would hasten to add or in various stages of development, a lot of them are to show basically building location and we don't have a lot of detail yet on the -- on the faces and so forth of the different elements. This shows you west to east, looking down riverside, with zack scott to your right and it shows you the distance, really, from the project to water's edge, which is about 60 -- 66 yards, I think, at its tightest point. This is looking from north to south down lamar with zack scott to your right, and this is looking over the top of the pfluger bridge, and when we come back to you for a vote in several months, we will have an animation that follows this picture and takes the right arm of the pfluger bridge at bike height and it will take you into the project to give you a feel for what that will be like. So as -- as you know, the key with the pud is to look at how you do with tier 1, tier 2 items. I will run through these quickly, meet the objectives of the city code. I think both, we believe and staff will believe we do that in a variety of instances, whether it be multi-use, the way we are addressing the water front, being compatible with multi-modal transportation, lots of different issues. Development standards equal or greater than the goals of the ldc. I think as you will see, we clearly meet that standard. One of the things I will mention is that there are not variances requested on overlay or to other elements of the code other than as rusthoven mentioned, this is the only tool that there is that allows us to propose community benefits to

allow us to get the additional 36 feet in height. So there are not other instances where -- where we are asking for modifications or relief from the code. Provide at least 10% open space. We do that. Comply with pud green building program at the tier one level. That's interpreted as a two star level. Comply with applicable neighborhood plans and compatible with adjacent properties. There is not a neighborhood plan that covers this area, and we've talked about compatibility with the bridges, I think particularly with the different design. It is a much more compatible project than the 60-foot project would be. This shows you that northern wall of the bridges again with no windows, and of course our neighbor across the street is zack scott which shows, by the way, as 75 feet in height. Environmental press raise and protection on this site, there is a couple of things that are particularly important in my book. The most important are trees. One of the things that this tall of a project allows us to do is set back and not put our building on the property line if we were doing the 60 foot apartment project, every foot is precious and we would not be able to do that. With the taller project, we are able to save five -- those five trees there at the corner. Those are not heritage trees and otherwise we wouldn't be required to save those but we do with the 96-foot design. We also save three trees on the lee barton side. This is a picture of those trees on the riverside edge that we think would add a lot to the project and particularly the plaza area that we designed at the corner of riverside and lamar. The additional things from an env perspective, we are proposing a system involving rain gardens and biofiltrations areas and pay particular attention to the rain gardens on the lamar side. What they will allow us to do is pick up untreated water that's coming down I appropriately -- that is presently -- runs directly in the storm drain. We would be able to treat some of that water in our rain garden so we will be achieving greater water quality benefits than just treating our water. Facilities and services, there is a variety of things that I think fall into that, but maybe the most important of which, this is kind of a really early diagram on the lamar side but we talked to the parks department about allowing them to use on a free basis about 1,000 feet of our retail area. We have just under 10,000 feet that we will -- that we will have and i think those discussions will -- it will be whatever the parks department thinks is appropriate but what the early indications that they gave us were that they might like a store front for special events for people to be able to come and buy tickets for things that are happening in the park, get information, know about events that are -- that are coming. So that is one of the public facilities that we would be providing. This is a picture of the existing retail on the bridges project along lamar and what we are really proposing is, with a taller project, is a continuation of that retail. A lot of the retail on the mixed use projects in town like this have not d well. This is done exceedingly well. Those tenants are renewing and expanding and so forth and we really think that, given the amount of bike and pedestrian traffic that this area already enjoys, that the retail is a particularly important element for this project. Minimum landscaping requirements of the code, we exceed. Appropriate transportation and mass transit connections, we put together this map to kind of show you a variety of multi-modal choices in this area. The blue dots represent existing bus stops. You will see the yellow and red dotted line that would show location on bus rapid transit systems, which we obviously are on that main line. If rail becomes a possibility in the future, the existing plan has that rail spur that extends up barton springs road. Bicycle improvements, i think particularly important in -- in a location like this, and our proximity to the trail, we can talk about that in however much detail you would like. We are proposing doing a bike share program on our rusthoven mentioned, we are part of at least the early discussions about what south lamar may look like in the future as the city tries to balance pedestrian, bike, and vehicular traffic along that road, and from a pedestrian standpoint, you see the red line -- I want to come back to that, but we are proposing not only to build the sidewalk

we are doing on lee barton but to do some connections that I think are sorely needed in the general area. Other tier one's prohibit gated roadways. Not issue for us and protect, enhance and preserve historical, cultural structures on site; both with the design, we think that we are helping in the sustainability of the paggy house but also we are parking the paggy house in our garage. Presently they have 22 spaces, and the surface lot on our site, that is a grandfathered situation, not code parking. We will be parking them to code, which is 28 spaces. -- Which is 38 spaces. 10-Acres is always the controversial issue. I think you talked about before and you addressed in this area before with the park pud and the pud on the runtex site, there is a caveat in that 10-acre requirement for special circumstances and I think it's been recognized before, particularly in a lot of front overlay area. Additional tier one items, there are things you must meet, comply with sub chapter e and comply with core transit corridor sidewalk standards. There is a relationship between those two. We are going to achieve, we think alternative compliance on the sub chapter e because we want to pull our buildings back in order to save those trees on edge. That's the only instance that -- that -- where we wouldn't meet it and we are doing more than the core transit corridor requirements in that we would have both the street tree and furniture zone, the sidewalk and then a fairly substantial supplemental zone which we think is key to that riverside edge to allow people to enjoy it and congregate and not be pushed to the edge, not be pushed into riverside.

[One moment, please, for change in captioners]

>> not applicable with the way that this requirement reads is you meet great streets if you're not subject to sub chapter e. We are subject to sub chapter e, so that one does not apply to us, community amenities, we've talked about the space that would be available for the parks, but we'll also have our meeting space which will be on the second floor and available for residents that would be able to be used by the public, for instance neighborhood groups in the area would be able to reserve that space and use that space just as if they were a resident. And again the bicycle -- bike share program we have programmed for that plaza area. Superior transportation facilities or connections, we've talked about the bike issue, but let me give you a little more detail on the pedestrian issues. Lee barton carries the fair amount of pedestrian traffic and it does not have a connected sidewalk through that, in fact there's very little sidewalk on either side of the road. We would suggest that we be responsible not only for the sidewalk behind our site, which we would be required to do, but to build a connection to the sidewalk behind the bridges project and then also very important to make a connection between the edge of lee barton and where the sidewalk dies on the other side of the railroad tracks, or to the east of the railroad tracks. The only way to do that given the slope, this is looking up lee barton away from riverside toward barton springs road, on that right side you've got slope and you've got some heritage trees that are within the right of way, so we've had preliminary conversations with the transportation department about running a sidewalk where about five of those cars would be -- might be parked on that edge, and that seems to be well-accepted as a solution to help provide that -- those sidewalk improvements. This is also a -- something that I think would be a -- an important addition which is this is the crossing across riverside just to the east of the lee barton intersection and we would propose that we pay for upgrading that to be the type of lit crossing that's available for instance on barton springs road. Minimum building design requirements, we exceed, pedestrian uses along 75% of the parking frontage, we exceed that on our ground floor. And comply with affordable housing program as rusthofen mentioned, we will comply with that, as i

understand that program, it would require if this is a -- an ownership, if this is a condominium project, there is a certain level of that that we would either do on site or pay fee in lieu if it's a rental program, it's a different level, again on site or fee in lieu, and you make the decision as to whether it's on site or fee in lieu, so we're fine with that program. Historic preservation, i mentioned earlier the parking spaces and the orientation with the building with the pagoda house and we do exceed the accessibility for persons with disabilities. Finally, we will provide less than market rate deals for local small businesses. So let me stop and i appreciate your patience as I walk through those tire one, tire two items and happy to answer questions.

>> First of all, it looks like an excellent project. I think it has a potential to be a great addition to that part of Lady Bird Lake. For clarification, the zoning right now is 60 feet, but the water front overlay is 96, is that correct?

>> Yes, sir, the water front overlay is -- the height that is allowed in the waterfront overlay is the lesser of your base zoning district or your maximum height in the sub district. So the maximum height is 89 feet, so we're proposing to raise our base zoning level --

>> so that's the reason for the podium.

>> That's the only reason for the podium.

>> Status is to get rid of the zoning height restriction.

>> That's it, yes, sir.

>> And you didn't talk about it too much, but the redesign of South Lamar is a great concern to me. Probably the busiest arterial in the town. It's a train wreck every day, twice a day. I don't think that any project that contemplates reduction of the capacity on South Lamar would be something that would be in addition or an asset, a better thing for our city, and especially for that area right there. So --

>> we realize it's still in the planning stage or still under discussion, but I do think the purpose of this briefing today is to kind of let you know about what concerns we may have, and that is certainly a concern of mine. I want to see, you know, the bike path improvements, but not at the expense of reducing the capacity on one of the busiest arterial roads in the city. So I just --

>> and I understand, mayor. We are fortunately for us, i guess, we are neutral with regard to that, because we had already limited our ingress and egress to ingress only on Lamar, i think our project does not change at all other than the city might need a little bit more right of way at that hard corner if you -- if you would pursue a redesign that would allow more bike traffic, and we're fine with that, but we're also fine leaving it as is, or it's -- it's -- I know a broader discussion, and probably something that this project shouldn't direct in terms of discussion, but we should react to.

>> I just know that this is part of the planning, a lot of ideas floating around, and I think I need to express my opinion at the beginning of the process, not wait until it's baked in the cake and comes back to us.

>> Thank you.

>> Councilmember morrison?

>> Thank you. I have some questions and they might also be for staff. So the first one I want to get clarified is whether or not this is in compliance with the waterfront overlay, because I think we need to -- I'd like to take a look at the language a little more clearly, because it's actually in the staff comments that it doesn't meet the waterfront overlay, because if you look at, for the butler shores sub district, the maximum height is the lower of 96 feet or the base zoning. So 60 is lower than 96. So the maximum height is not go up to 96. The maximum height is the base district height. So to me the way I read that it actually does violate that if it's going to 96 feet. Do you have any comments on jenner or resthoffen.

>> We did look at that. That was a comment made by the site plan reviewer. We discussed it a little bit more, we feel, we'll take a closer look at it when the pud does come in, but we do feel like the provision, the district does allow 96 feet of height there, so we thought that that meant with the bonuses it would be 96 feet. We'll take a closer look at it. Regardless the pud does allow the applicant to modify the overlay, in the end the council will be able to do that, how do we compare that to what the existing code is? We'll take a closer look at that.

>> I would appreciate that, I think it's real important that we get clear that we can all read this language the same, whether the lower of 96 or 60 means 60 or 96.

>> There's two terms the way we use the word base too. There's base zoning and there's a cs zoning and base zoning, we talk about a pud.

>> The baseline district.

>> And what is that? Have you done that as is assessment.

>> In case it would be cs.

>> In either case it's cs.

>> Yes.

>> In either case we're talking about the lower of 96 or 60, I'd love to talk with you about how that might be 96 instead of 60, but I do understand that you're saying that -- but i think it's just real important that we get that clear one way or another. And then there were also some questions after the last pud that we approved, there were questions about the meaning and the interpretation of the affordable housing rules in the pud, and I feel like it would be real important -- i don't know how you're interpreting them, drenner, but I do think it would be important to get

on the table what the intention is of your plans, and whether this -- what the staff thinks they say, because the staff -- the question really is about whether or not the affordable housing, either the fee in lieu or the 10%, is -- is calculated by versus all climate controlled space or just the bonus density above the baseline, and the language actually says in the code 10% of all climate controlled space, is that the way you're reading it?

>> That is the language in the code, the staff feels that was a mistake when we were redoing the pud ordinance several years ago, that it was mistakenly put in there as the total amount of square footage, the intention two years of redoing the pud ordinance was that it would only be for the delta between the baseline and what they were asking for. That was the so called bonus or tier 3 amount, and so however when it was written, it mistakenly says the entire square footage, I can tell you the puds since then, the council has approved it with the delta, but it is something that i do think we need to change in the code to bring it back to what we thought it meant.

>> Because I do think that we do need to have a discussion about that, because it's not clear to me that everybody's intent was -- was just the bonus density, and so it may bell bell -- well be that people had different things in mind for intent and it got written one way and people supported it that way, and so I don't think it's necessarily just as easy as submitting a correction.

>> No. We bring it back as a code amendment.

>> Okay. And I think we need to engage the stakeholders that were part of it before so that we can hear their points of view, I've heard loud and clear that some folks thought we were going into the swif with the understanding that it was 10% of all climate control. drenner, can I ask you, are you thinking 10% of the square footage above 60 feet or the additional you would get.

>> If it was a rental program, yes, ma'am, just -- just the delta, I would tell you that if the interpretation was otherwise, we would withdraw and build a 60-foot apartment complex.

>> Okay. And do you have roughly -- does the 96-foot design, is it roughly the same square footage that you get out of the 60-foot design or do you have a --

>> no, ma'am. There's -- there's additional square footage above the 96-foot allows additional square footage, and in doing the calculation for instance on the delta, i would tell you that the fee in lieu is in the ballpark of \$400,000. So if that's at \$10 a foot, then it's about a 40,000 square foot difference, i think.

>> I think actually, it's 60% of the downtown plan, so it wouldn't be 10.

>> Well, it's -- the -- yes, ma'am, the -- the delta -- i can give you the exact square footage numbers, but I do think the -- our delta would be in the \$400,000 range.

>> \$400,000. Is that using ten dollars or \$6 per square foot?

>> That's using the -- let me make sure, hang on just a minute.

>> So jerry, how about we do parallel processing here and ask you a question why he's getting that. So because the code is written this way, and not the way you're thinking -- you think it was -- should be, was really intended to be rewritten, does the pud ordinance allow us to waive that code by the -- it can waive itself?

>> Yes, just like the ten acre requirement, yes.

>> Okay. drenner might have some numbers.

>> Councilmember, the -- it is calculated at \$6 a foot. But I want to make sure that our -- that the delta is clearly spelled out, so i probably need to get the map.

>> All right, we can probably just divide 400 by six.

>> But the -- but it is our understanding that it would be calculated on the delta, not the -- not the whole.

>> Okay. And I guess -- okay. That's helpful. And then another question that was raised about, you know, following the details and that is the report 3 that's supposed to come along with the application that talks about what the median price and what affordability levels are at play here from the neighborhood housing person.

>> You found both of them.

>> Yes.

>> There's a second part that we believe there was a mistake in the codification, and that is when we were doing the pud ordinance and we were talking about affordability, you know, we always talk about affordability, median family income, and we work off of a -- I'm not well versed in all the different terminology, but we generally work off of a citywide mfi or a statistical area mfi. The issue was raised at the time if you were doing a pud in a low end neighborhood, maybe dove springs or some place like that, and the mfi was drastically lower than the citywide mfi requiring the developer to provide 80% citywide mfi in a particular neighborhood where that was already above market rate or at market rate was not getting a community benefit. So we put a provision in there that would allow the staff to -- the planning staff to seek the -- the -- an acd director's opinion about whether we should lower the mfi for a pud in a neighborhood where we suspect the mfi might be lower than citywide. Given the location and the planning staff's opinion, these are not areas that have low mfi. I would dare say they probably have a higher mfi downtown than what we do in other portions of the city. So we have not gone to the neighborhood housing director and asked them to give us an adjusted mfi number because we feel the citywide number is sufficient. However, the code provision does not say that that's our option, it just says that we must do that. So again, I think that when we do a code amendment for the other one, we'd be bringing those two together.

>> Okay. So but for right now presumably we're waiving that requirement.

>> Presumably, right now when the council makes the -- approves the ordinance, we put in the ordinance specifically what the affordability requirement is, thus far for the pud, and we've done in this general vicinity, we've used the city mfi and not adjusting it.

>> Did you say this is csb or cs.

>> It's both.

>> And what's the affordability level on the v that came along with the v for that area? Is that -- I think it might be 60.

>> Double check, I think it was 60 if I recall correctly.

>> I bet it was 60. drenner, I have one more question and I don't know if you're -- if you have an interest in answering it or not. Certainly open to whatever you would like to share. And that is we've heard from neighbors in the bridges and questions raised about control of the hoa, of the bridges. Do you have any comment on where things might be on -- with that.

>> Sure. Amanda, give me the -- the -- the aerial view that just shows both projects. The -- the issue that came up from as a real estate lawyer, whenever you have a -- in effect a two-phase project for a condominium in the condominium documents, you preserve the declarence rights to control the association until both projects are built out to a certain level. The question that arose was since the principal is the same here, but it's technically a different entity, so whether or not we had the ability to retain that control. Be that as it may, and i think the legal argument is in our favor, we don't have any interest in retaining that control if there's a detriment to the neighbors and we understand from a refinance standpoint that some of them were having an issue with that control, so we have indicated that we'll be transferring that control very quickly.

>> Thank you, I appreciate you sharing that.

>> You bet.

>> So I guess could we go back to that last slide that just had the -- the view from riverside, I guess? Because to me that's very striking, because as I go around this area, and get used to the new zack theater, the new zack theater already feels pretty big, and I can see the perspective here this is going to be a lot more massive, and I guess what I'm -- I'm concerned about is that it just seems like we are hitting the maximums all the time along the -- along the south shore. This feels -- this massing feels like quite a significant massing, and so I'm concerned about the light, and although I do want to say that the benefits that you're mentioning, many of them sound very, very positive, but I can't say I'm concerned about -- and it's not so much the height, just the mass along riverside, and then the second thing i have concerns about, and this is something we have to work out at the city, and that is I think we need to get that settled, what -- what the actual expectation for affordability is, with regard to how many, whether it's all of the climate controlled or not, and so a -- I just wish that we could get that established before we go too much -- before you go too much further so you can figure out what people's expectations are, because

that's a pretty significant difference and you said you wouldn't be able to do this project if you had to do that, but it just seems like it would be fair for us to get that settled.

>> Councilmember, riley?

>> Yeah, I thank you for the presentation. Ask just a couple of questions. First, in regard to the water front overlay, this, as we've discussed this, lists ideas within the waterfront overlay area, our city code says that the purpose of the waterfront overlay district is to promote harmonious action. So with that in mind I want to ask about the interaction and transition between this site and the adjoining park land and in particular I'd like for you to focus on the differences between the 640-foot apartment complex proposal and what we would see within 96 foot pud, specifically in regard to the relation between the project and the neighboring park land, and I think the most important aspect of that is going to be right along that -- that riverside frontage, could you just give us an idea of what the real differences would be in the way the two projects would relate to that park area.

>> I think one of the key issues obviously is the -- is the ground floor, and what uses are provided in the ground floor. This is a unique area, and if you think about the south shore, and you think about use the trail along that south shore, there really aren't have many opportunities for people to -- to come off of that and go have a cup of coffee close by, or have a meal, for instance. Either before or after they enjoy the trail, and one of the things that we wanted to make sure that we did was to provide as compatible a ground floor use as we could, and we really thought that not only the fact that it's retail and restaurant, but the type of retail and restaurant was really important with respect to that. For instance, if that restaurant was a -- was a glass wall with a white table cloth restaurant on the inside, I don't think that fits much with the park, if you have an indoor/outdoor kind of experience and you're serving two, if not three meal, I think that is something that is additive to the park experience. In addition to that, then you have design issues that sort of go hand in hand with that. If you're proposing a indoor/outdoor kind of experience, then you've got to setback enough where you have enough room for people to be able to use that area, and you have to program that area to where it fits with the fact that it may be the only opportunity for people to meet and before they go for a run or meet after they -- they ride their bike around there, or for somebody, two mothers pushing a stroller to meet before or after they do that, and we really think that, as our thinking evolves, it needs to continue to be premised on how do we make ourselves the best that we can be for those types of users. Keeping the trees at that edge, I guess probably sounds obvious, but I think it's -- it's critically important. You don't want the street and then a hardscape, and particularly a hardscape that would have, if you think about what you've seen with just apartment come plexes that -- complexes that aren't mixed-use projects, a door or a window, if you will, probably a window along that edge that is somebody's apartment. A completely different feel, I think, as you cross the street from that park land. Particularly given that we're right at the mouth of the pfluger bridge. I mean there probably isn't a place on the lake that would be probably guaranteed to have more people who come by this site on their way to use the park, whether they go down to the trail or use the bridge or both. Our -- we have thought both from a residence standpoint and from a public standpoint we needed to do everything possible to make ourselves bike-friendly, for instance, so the bike share program being at this location, and offering this location for that, I think is -- is a natural, but we need the space to do that to make it work, and again that plaza setback allows us to do that within

that area. The other thing that we're doing in that area and it's difficult to tell on these kinds of pictures is we'll have rain gardens in the biofiltration areas not unlike the rain garden that exists out front here. But it isn't going to be the type of landscaped urban feel, it's going to be landscaping that is serving a purpose, full, from a water quality standpoint and then it's a natural feel, it's in effect bringing the lake experience across the street, and then I think materials will matter, and as we bring this back to you, I think your expectation should be that we demonstrate to you with the materials and so forth that we're going to build a sustainable project here, one that befits the location and not just another wood-framed apartment complex, that could be built anywhere else in town.

>> So you would be open to provisions in the pud that would dictate certain types of materials?

>> Yes.

>> Which is something that you wouldn't be able to do with regular zoning?

>> That's correct.

>> Okay.

>> That's correct.

>> So from the perspective of a park user, your sense is that the whole -- the project's treatment - the experience with the -- with the pud project would be superior, would provide a more harmonious interaction with the park because of the retail space and landscaping and so on that would be more oriented toward the park, that you would get with the 96-foot project. What about the -- the -- councilmember morrison talked about the massing of the project, isn't there a risk with a project that tall as you're coming across the pfluger bridge that having -- being hit with a facade that tall would be overwhelming, it would just seem too tall and it would detract from the park experience as compared with the 60-foot wall?

>> Well, I think -- I think at some level, yeah, there's a -- there is a certain level and a certain mass that would be too much, and that's really my objective with perspectives now and as they develop is to help you really get a feel for it. I don't believe at 96 feet given the distance that we are from the water's edge in particular across riverside drive with that setback away from the riverside edge, that we achieve that, that's an eye of the beholder type issue and I respect what councilmember morrison said. It does not strike me that way. And I think as we continue to show you those perspectives, show you those views, show you the animations, I don't think that people are going to feel that that's overwhelming that edge at all. If we were -- you pick the number at 120, at 150, so forth, then I think that would be a valid criticism.

>> Okay. And lastly, since the mayor did say a word or two about lamar, I feel like I need to do likewise. There is a lot of congestion on lamar on a daily basis, and with all the projects that are currently in the pipeline for lamar, I think we're going to have even more very serious congestion issues if we see current travel patterns continue. You're talking about taking very congested corridor and adding a lot of new residents to it, as well as a lot of businesses and those projects

and that's going to mean trouble if -- if the current patterns stay the same. Right now south lamar is not a very welcoming place for cyclists or pedestrians, and we had a cyclist killed on south lamar just last year. We -- we've had complaints from -- about the -- how -- how the bicycle and pedestrian experience along south lamar, so it's not the sort of place where you would feel very good about just getting out and trying to take an alternate mode of transportation, one goal is to try to make it more accommodating for other modes as those projects come in, that they won't have as much impact on the congestion, because people especially residents in these new projects will feel like they can enjoy south lamar without getting in their car just to go down that is part of the goal and that was discussed a lot in some of the recent planning efforts we've undertaken, I very much appreciate your willingness to work with staff on that, I think we've got a lot ahead of us to look at what we're going to be doing on south lamar, we have a corridor study in process. There has been a lot of thinking about that, I'm looking forward to continuing that conversation in the coming weeks so that we can make sure that -- that the solution that we put into place here will provide a good model for the other projects that are coming in so we can mitigate the impact of all of these projects, on the congestion of south lamar. I appreciate that, again, probably the key decision early on was where we had ingress and egress and so forth. We did not want to be -- we didn't want to exacerbate the problem that exists today on south lamar, and I think that based on what I've seen, we should be able to accommodate new ideas with sort of conventional thinking.

>> Right. And one last thing I want to mention on that is there are two northbound lanes crossing the bridge on north lamar, and you're not proposing anything that would negatively impact those two northbound lanes that actually cross north lamar, you're not talking about taking out one of those lanes.

>> Nothing that I've seen would indicate --

>> right. We're talking about is a lane that -- that stops right there at riverside anyway.

>> For us, when we initially started the conversation, we -- we were aware obviously the dedicated right turn lane in front of us and we thought that that prohibited us probably from having safe egress, so whether that lane stays or goes away is not meaningful to us.

>> Again, I appreciate your willingness to participate in that conversation. drenner, for your testimony. The next item we have is item number 90, little woodrow's bar and restaurant, you want to give us an overview?

>> Thank you, mayor pro tem, council. Planning development and review department. 20120097, This is for the property located at 5425 burnett road. The area being rezoned -- excuse me, .18-acres of land, about 8,000 square feet. The request is to rezone the property to commercial liquor sales, mixed use, vertical mixed use building, conditional overlay plan, and the intention of the owner is to take the existing building which is classified as retail, currently previously used as a real estate office, and convert it into a cocktail lounge on part of it, and a restaurant general on the other. It was recommended to you by the planning commission on a vote of 9 to zero, recommended the staff recommendation that basically provide there would be a conditional overlay that would make certain uses, agricultural sales and service, commercial

blood plasma center, equipment rental, repair services and kennels, conditional uses on this property, as we mentioned before and as you can see in the exhibit, it's right now a one story building. The use is primarily to the east of the property, or office, and then as you transition across clay there's office and single family residences to the south is a fast food restaurant, and you have a -- basically a retail resale shop to the north and various retail uses along the western side of the roadway. It is in the neighborhood plan but does not require a change to the future land use map, this is a mixed use area. We did receive a petition and it stands at 1% at this time. Against the rezoning of the property. There are some property owners that were in favor and there were property owners that were objection. The brentwood neighborhood steering committee pointed out that there was a concern about the rezoning that they would object to the zoning because of concerns about inadequate parking approximately to single family homes that are further to the east of the project, the concern about late hours, noises in the middle of the night and traffic. I think I'll pause at this time. I knew that the owner's representative, alicia glasgow is here, and I think she has a presentation that may address some additional questions that you might have, and I'll be available for questions should they arise. Okay.

>> Glasgow. You'll have up to five minutes.

>>

>> good evening, councilmembers, I'm alicia glasgow, representing the applicant, and as guernsey indicated to you, this case was heard by the planning commission, and the planning commission recommendation to you was to grant the cs one zoning with the additional -- the other mu 'vco' mp, and the vote was 9-0t planning commission understood that this is a two step process and this two step process requires that you get the zoning first and then the next step is a conditional use permit for a cocktail lounge which goes back to the commission and they believe that issues relating to the operation of the use would then be addressed through that process which goes through staff review. Staff will provide technical assessment and then inform them of what complies with the code. The -- this next slide shows you aspects related to the differences between cs and cs1. Both cs and cs zoning allow restaurant use that serves alcohol. On the cs zoning, 51% of the restaurant's gross income must be derived from the sale of food and 49% from alcohol. On the cs zoning, alcohol can be served until midnight every day and until one a.m. Saturday through sunday morning. A planning commission approved 5 plan and tabc approval are required to , on the cs1, alcohol can be with site plan and tabc approval. The building that guernsey mentioned that is on the site, buildings, two story buildings, toward clay avenue, one building that faces burnett road, and also has the intersection of houston, we plan on having a restaurant and a bar. The restaurant will be a stand alone restaurant within the building, so the space is going to be broken out into a restaurant with patio, little woodrow's bar with a patio, corporate office and storage, so the parking comes to at least with this assortment of space within the building, the required parking would be 37 spaces, the site currently has 52 spaces, and that could go down to 49 spaces if we have reverse angle parking. Those are aspects that are going to be looked at by staff at the time of the site plan, and so that's what will be demonstrated through that process. We in talking to the neighborhood, one of the things they did not want was outdoor entertainment and we've agreed there will not be any amplified sound, will not exceed 70 decibels, this is in the code under your code requirements for restaurant states that you're allowed to have amplified sound as long as it does not exceed 70 decibels but we're stating that

for the record. There will be no outdoor amplified live entertainment, and as far as number 3 goes, no parking in the city right of way. I think when we -- someone pointed out that some of the striping of the parking, someone got carried away with the striping and striped -- the stripes go into the right of way. So we will amend that. That is not so there will be no parking along the street other than that we will correct the parking that is -- has the striping into the right of way. It will no longer be there. That was the intent. Sidewalks will be provided where applicable. We're not redeveloping the site, so we can add the sidewalk especially along houston, there's no sidewalk, so we will add the sidewalk along houston street. There's a sidewalk on burnett road and on clay avenue where feasible, we'll work with that. We've also -- the owner currently owns several businesses that are closer to the neighborhood, and in that neighborhood, he agreed to continue working with the city's music department and that's what number five speaks to, that we're using that model that is working with the zilka neighborhood to continue to work with the city music department should there be any issues regarding noise. This is the existing building. This is what it real estate office, and as you can see, a couple of vehicles parked in the front of it. We intend to preserve that tree and wrap around the tree deck that is going to be facing burnett road. This is the rendering that was prepared by the architects and the architect is here tonight. He will speak briefly and he can explain what his vision is for this building, interior and exterior. I will pause here, and that's my time. I appreciate your hearing us this evening and I hope that you can consider the planning commission recommendation. Thank you.

>> Other speakers in favor? I have a question for you, councilmember. glasgow, i may have some questions before we hear from the speakers but I have a couple of quick ones. guernsey talked about the owner and you talked about the applicant, and i just want to be clear on whether or not you are representing the owner of the tract or somebody who is interested in purchasing it or renting it.

>> I am renting the -- the owner of the business, little woodrows the -- who has a contract with the property owner to lease the space, so he's going to be the tenant. I'm not representing the property owner.

>> Thanks for that clarification. I thought that was the situation. I wanted to clarify, I think it's relevant because you talked about a two step process and that it would go back to a planning commission, but I think it's a consideration for us, as we -- as we contemplate the zoning because, you know, clearly the business owner you're representing would be far down the line, for example, they went to the planning commission and then were denied. My other question for you.

>> Was that a question or --

>> it was a comment, really. I had a question and then you answered. That was just a comment about the cip process. I wanted to talk for a minute about the parking. Do you have -- we had gotten some correspondence from the neighborhood with some code language that talked about needing a variance to locate parking spaces so close to single family residences, and I know that question has been directed to you, and i just want to clarify whether you have the ability to do that or would need to seek a variance.

>> Well, in your -- in your folder, the left hand side, the second handouts says cup info, I've highlighted the language and it reads as a condition of approval, a parking area for cocktail lounge or a restaurant with a late hours permit must be separate from the property zoned town home or condominium as are more restrictive by not less than 200 feet, unless the lounge or restaurant is located within the enclosed shopping center, or the land use commission grants a variance from this requirement when the land use commission approves the site plan, so our intent is that we would -- should we get the zoning when we submit the site plan to the planning commission which is required for cocktail lounge, then we would ask for the -- this aspect.

>> So the parking -- the calculation that you detailed for us here, the 5 spaces that would be required and then after the 20% urban core discount of 37 spaces, that would depend on a variance from the planning commission, a variance of that distance requirement from sf6 or less restrictive, I mean more restrictive.

>> The total site we have 52 spaces, so it would be less -- obviously, then goes all the way, that covers the entire site. So correct, that in order to have the number of spaces we would need that variance. Additionally, we have talked to the property next door, next to get a shared parking agreement, they have 45 parking spaces and we're in -- in discussions with them, we've begun the dialogue about leasing some extra parking space, above and beyond whether we need it or not. Should that need arrive, and there are 45 spaces, they open monday through friday, , and then they're open at 7 -- close at 7 on thursdays.

>> Okay. But just to -- just to summarize the 37 spaces that you think you could accommodate on this site depend on a variance that would have to be granted by the planning commission down the road.

>> Well, some of the -- yes, well, some of the parking spaces and I'd like to add that out, the number of spaces we have here, there -- include as patio, we have a building that is approximately 4,000 square feet, so we control the number -- we can shrink the size of the patio if we want to reduce the required number of spaces, so that is something that can be -- can be adjusted. The building is the building, the 4,000 square feet, you can, you know, split that into two parts, the restaurant and the bar, and then the corporate offices. The deck is approximately 1,000 square feet and that is not there, so the size of the deck which also attributes to your parking requirement can be reduced as needed if need be as we go along.

>> So the 2064 square feet noted as restaurant and patio square footage could shrink to 1064.

>> Could the total -- you take the total square footage and adjust the deck. So it's a thousand square foot is just deck that is not there.

>> Okay. So the restaurant itself could be or will be 1064.

>> Correct, exactly.

>> Okay. And -- all right, thank you.

>> You're welcome.

>> Rick engle.

>> Hello, again, and thank you again for allowing me to speak, all of you. My name is Rick Engle, and I am a local restaurant business owner here in Austin. I own in addition to Little Woodrows, I also own Austin Java, Uncle Billies and Ski Shores, all locally owned and operated restaurants here in Austin and have been since 1999 here in Austin developing, growing, working with neighborhoods to expand and contribute these types of restaurants all across the city, and what I wanted to communicate tonight was we haven't opened Little Woodrows in over five years, we've been looking for a location that would meet the compatibility, the demographic and everything else that we look for when we are looking for a location like this, and this location on Burnett Road fits all of those things. In our opinion, and I've talked to multiple business owners and other residents in the neighborhood, many of whom are in support of this most importantly, what I wanted to communicate today to all of you, and I've been up here before talking about certain things of this nature, it's most important, I think, that businesses like this are able to communicate to their neighborhoods, and listen to the concerns that the neighbors have. In this case, we did meet multiple times, with Brentwood, we met with Allen Dale, and we did listen to a lot of their concerns and I think very important to say tonight is that not only with respect to city codes, not only with respect to ordinances, and things of that nature, I've been very successful in neighborhoods like Zilker, Terry Town, Clarksville, and Spanish Oaks with locations that I have working directly with the neighborhoods to make sure that we are able to be compatible, good neighbors, community leaders, and just like those other locations where I already have restaurants and bars, like Little Woodrows, there's four locations here in Austin already, we've been able to work out all of the concerns and the things that they have had not unlike the ones that you're probably going to hear tonight, but what I also wanted to say is I think the part of the process tonight is to determine if this is an appropriate use for this neighborhood and I firmly believe that it is, because of everything that's happening on this street and in this area with all of the apartments and all of the businesses and everything else that is being developed, so not only do I think it's an appropriate use for this neighborhood, but all of the concerns can and will be addressed in the conditional use permit process which is what this whole process is about, so if we can determine tonight if the zoning is appropriate, I know we can get in front of the planning commission to address all of these things, thank you.

>> Thank you.

>> Councilmember Morrison? Engle, why put a Little Woodrow's here instead of an Austin Java.

>> That's a good question.

>> You wouldn't have to be here.

>> I could just move right in.

>> Exactly.

>> For little woodrows, that concept, I've been involved with it since it began in 1993. There's five locations in Houston, Texas, but it's locally owned here in Austin. And again I think for the different areas that we do consider and look for, this particular location for a little woodrow's to us as restaurant owners and operators makes the most sense. We have a great food operator that is going to be working with us, and I think that just the demographic studies that we've done, there's a pint house brewery that just opened down the street, all of the things that opened down that street, for us and the competition, this location for a little woodrow's made the most sense.

>> I see a lot of family restaurants that seem to be doing really, really well there, along that area, because Brentwood, and Allen Dale are really turning over with lots and lots of young kids so it's - you're going to be drawing from a different demographic that I don't think -- I don't think of as traditionally the demographic of say Allen Dale of folks wanting to go out to a bar at night.

>> If I might just add to that.

>> Please, yay.

>> I appreciate your location. At our Bee Caves location, we have families that come in there from Lakeway and all over. We will be serving lunch at this location. We will be attracting that same demographic there, it's just the evening and later hours and the weekends where we believe that that demographic also exists in this location too.

>> Okay. And so are people under 21 not allowed because it's a bar.

>> That's not true. In -- in fact we actually changed that out at the Bee Cave location because of the demand and the families that were really wanting to come there, so we actually do allow families, and younger children to come.

>> So presumably that would be for lunch.

>> Correct.

>> And probably -- probably up through dinner during the week as well until about 7 or 8 o'clock, depending on again the demand.

>> And you won't be serving dinner is that --

>> we will.

>> You will be serving dinner in.

>> Yeah.

>> Breakfast lunch and dinner.

>> You know, never say never, maybe little woodrows will serve breakfast one day, we know how to do it.

>> Okay, thank you, i appreciate your coming down here.

>> Steve portenoy?

>> Thank you, mayor and councilmembers. I'm here on behalf of the property owner, his name is jimmie nasure. I'm going to read a statement. Mayor and councilmembers as you well know from the parade of zoning cases that regularly appear on your agenda, our city is in translation, as leaders of our community you're asked to see over the horizon to navigate a creative path forward for our urban core. Several elements of the city's land development code appear to work at cross purposes with the stated vision for a pedestrian and transit-friendly city that appropriately places accessible commercial uses in proximity to neighborhoods. The case before you is a good example. Sometimes an knack -- fail to speak to bicycle access and mass transit options, compatibility setbacks and agreed to third rail of local planning inhibits creative repurposing along core transit corridors and major arterials, and robs the city of tax base, decisions made in this decade will affect the look, feel and functionality of our city for more than a generation. Our elected leadership -- we look to our elected leadership to make right decisions that work to promote a vibrant integrated urban core, a walkable city of neighborhoods served by adjacent commercial development. I respectfully request approval of this item before you in service of that goal and I thank you for your consideration, as a personal side note, I'd like to highlight the fact that this property has a burnett road address. It's located midway between 45th street and koenig lane. There's a new multifamily project under development one block to the north. There's a fully developed mixed use multifamily project one block to the south. You may hear opposition from the neighborhood association, you but please note there are many neighbors that are in favor of this proposed use at this location. The end user, little woodrow's is a well-run neighborhood pub operated by local ownership with a successful track record of responsible business operations. This business is just the type of neighborhood gathering spot that should be welcomed at this location. It's an appropriate use that deserves your support, approval of this agenda item is both reasonable and warranted. I hope you agree and vote to approve this zoning request. Thank you.

>> Art vomburg? We're hearing from those who are in favor of the request, and donating time to you is james hendrix, james? James is signed up against it anyway. He's not here, so I guess that's a big question. You have three minutes.

>> Hi, my name is mark vornberg. I'm an architect with dick clark architecture. I'll be very brief, from the architectural perspective this is a cool building. It ought to be saved. It's a straight out of 1950s, THE LIGHT FIXTURES Haven't been changed, anything of that nature inside, it's a great potential place for a little neighborhood pub. It does have this great tree out front that will make a great gathering area too to sit out there and have a drink. It is buffered from the neighborhood, although the property goes all the way to the street behind, it does have these two small office buildings that helps buffer it from the neighborhood, so I think it has a lot of opportunity to be that neighborhood pub that we all kind of like. You know, if you have any questions about the architecture, I'm happy to answer those questions as well, but, thank you.

(One moment, please, for ..)

>> it creates a situation that is unique and if academic plan expanders are used, it allows too much encourage into the residential uses. It is one of the reasons Brentwood opposes the change and why the planning team left the corners at 5500. Plus this won't be a neighborhood bar like Lashia's on Justin or the Poodle Dog Lounge. Little Woodrow's serves alcohol and little food and had wrestling matches and stays up until 2:00 a.m. All because of the Burnet shallow lot and the triangle, everybody looks at 5500 Clay Avenue as part of this project and nitpick for distances for valid petitions and compatibility is to do disservice to directly adjacent businesses and residence. The effects of this bar will in reality be directly across the street from residents and residential businesses. Four businesses have signed a petition in opposition. Thunder Cloud and Clay Ways. Clay Fuller has four properties with nine residential units on it. Day David Owen and Robert Buchanan are developing residences at 5503 Clay Avenue which is directly across the street and think their businesses will be damaged. The long and short, this is not the place for 100% alcohol, because this is not the difference between 49 and 51%, it is the difference between 50% and 100%. Please deny this request. Thank you. Thank you. Barbara McArthur donating time, Paul Brenholt. You here? Anna Young. Cy Killhane. You have up to twelve minutes.

>> I have a powerpoint and everybody should have my handout. Okay. I want to address the neighborhood concerns, which are mostly, that's it, parking, proximity, traffic, noise, lights, safety, crime, and the density of alcohol establishments we already have. If you look at that blurry picture on the front, that is where the bar is proposed to be and all of the trees you see on Clay Avenue, that's where we live. We live there. We are not buffered. We are right there. And you can also see that there are alleys coming by the side of the proposed bar that empty right into the street in front of our houses. Now, the next slide -- I will tell you that -- I am an academic and I kind of -- I calculated the parking based on the square footage of the building and when I calculated that based on the square footage of the building, because the ordinance you have before you is asking for 8,000 square feet of CS-1 zoning, I thought it was reasonable to calculate the parking as if the whole building was a bar. When I calculated that, I determined that you probably would need 50 spaces for that bar. These two properties are two legal lots. They are not one lot. You can see the front building does not really have that much parking. Let's go to the next slide. Okay. Fourteen of those spaces in front of the proposed Little Woodrow's, they back on to Burnet Road. I don't know if any of you go on Burnet Road but it is not an easy street to back on to. Also, I would point out, we are trying to redevelop Burnet with the core transit corridor guidelines and those include design standards and those standards say any parking along the core should be buffered by plants, and so you can clearly see that cars backing up on Burnet Road which is a large part of the parking on the actual lot are not going to be buffered by plants. Let's go to the next slide. The other thing I want to point out is that there are -- there are ordinances in this city that say you have to do certain things. So one of the things you have to do is set back from SF-6 more restrictive by 200 feet for cocktail lounge parking. -- Lounge parking. Red line is approximately 200 feet from the houses. And now the second thing I want to show you is I just calculated by the square footage of the building how much parking they would need. The two rear buildings are offices and as offices, they would take 14 spaces each. They are on a separate lot. If you use the whole building in the front with the core transit corridor reduction, you have 54 spaces. Let's go on to the next plan. This is the parking map that Alice presented at the

planning commission. Now, for this parking map to support parking, you can see you would have to waive three ordinances. The first ordinance is the core transit corridor ordinance, which wouldn't let you park backing out on burnet. The second thing you would have to waive is 200-foot rule from distance to homes to cocktail lounges and the third thing to waive is the screening ordinance that would not permit those parking spots on clay avenue to be unscreened. So our feeling is very strong, that this property doesn't have adequate parking and it doesn't have a clear way to get it. Let's go on to the next slide. Now, I talked to the next to new manager yesterday and I've also been in contact with the episcopal dioceses in houston and they said they won't provide parking. And next to new is outreach ministry to saint david's parish, there is a city ordinance that says you cannot have a bar within 300 feet of a church. Let's go to the next slide. Now, you may think this is a resale shop. This is not a church, section 501 of the irs code includes ancillary businesses that are not related to the missions of the church and they are taxed. If you look -- this is the tax record from austin of next to new. You will see they have total exemptions and they pay no tax. Let's go to the next slide. I am not against alcohol establishments. I am not anti-having fun and I am not anti-bars but i think there is significant academic research that shows placing bars very close in neighborhoods have detrimental effects and in this first page study, you can see that they found that regardless of the unemployment, the ratio ethnic makeup, the income, the age, alcohol outlet density was correlated with violent assaults. There is many, many studies that show that. You can see the citation on the bottom. They suggested you should be very careful to put zoning like this close to where people live. Next slide. This is a brand new study, 2012. She looked at census tracts. She said violent crimes just occur a lot more around alcohol establishments and that community leaders should be very cautious about increasing the density of alcohol establishments within their neighborhoods. I want to tell you that the parking map that alice showed us is 27 feet from single family homes and if this place wants to operate 7 days a week. Next slide. One issue with alcohol zoning is that we already have 6 properties between north loop and koenig that have alcohol zoning, and that means we have alcohol zoning one per block and we already have a lot of alcohol zoning already existing. Four places are dormant and two of them are used. Let's go to the next slide. I know there have been different discussions about -- that little woodrow's is really a restaurant and not a bar. Well, yesterday in the newspaper, you can see that the police released the top austin give bars of 2012, and that little woodrow's was number 9. Now, we have a lot of concerns because we live so close, this will be open so late and we believe there is no way this will not have a significant impact on our lives. Go to the next slide. Cs-1 zoning suspect like other kinds of zoning. It is not just like another commercial zoning use. Cities and all over the country, there is state laws that prohibit alcohol to certain areas. That's why we have these things that say you have to set it back. That's why you have rules about the distance from church, public schools and hospitals. It's just not ordinary zoning. You can see that this is a study from a boulder, colorado study and it says that the surrounding area that it requires special land use regulatory and planning intention to promote and ensure safe and person official environment for the city residents because it has a potentially harmful impact on and is so incompatible with us and just keep thinking, we are street away. We are a 27-foot street away. There is many studies that address that public health, safety, and welfare that show property owners adjacent to or near these businesses experience a high level of alcohol related contact and nuisances, which really will affect our quality of life. Let's go to the next slide. We are so close. Some of us are 125 feet from the building. To maintain our quality of life and the safety of our families, we need the city's support in making sure development along burnet road that is very close to our urban

homes, south of koenig, from 45th to koenig, burnet road is a corridor but it is a four-lane narrow corridor on both sides of the street along most of it. The businesses are one lot deep and then there is houses. So this is not a wide open corridor with lots of spaces. There is no room for widening the street. There is no room for even parking on the street. We have a lot of great local businesses. We would love to have engel open one of his other businesses there. We would welcome him. We would love to have java's or a sandwich place or a restaurant. Those things would be great. We are not against development. We are against having a bar so close to our homes. Let's turn to the last and i will finish up. I do want to ask you, if you consider asking this, that you would just pass this on the first reading only. According to my count, our petition is 19.94%. We are still working on the people building the new house are filling out some -- they signed our petition but there is a little issue with staff about whether they really own their business. So we are so close to having a valid petition. The brentwood, the neighborhoods support us and these are signatures of all of the local businesses and people in the short area who support our request to ask you to deny this zoning. Thanks so much.

[Applause] thank you. Jone bates. Jone bates.

>> [Indiscernible] all right. Joseph reynolds. Joseph reynolds. Is july brenholt here? So you have up to 6 minutes.

>> Council and mayor, I am joe reynolds, I live in allendale. I have got 4 points, a fifth one. I hope to be finished in my allotted 3 minutes. To cut to the chase, burnet road doesn't need another late night bar. I was on the grand jury in '04 when dallas was number one in dwis in the city and now dallas has straightened out and we don't need to start all over again. This is a family neighborhood. It is not sixth street. And as we just heard, little woodrow's is in the running again. We have heard that the owner would give his phone number to the neighbors so that they can call in case there is trouble. The trouble is this place is sleepless neighbors and enforcement rule. I know that the permit would have to be granted later but you can short stop this by just denying the zoning tonight. The lease of little woodrow's has with these guys allows him to back out if he doesn't get the zoning or he doesn't get the permit. He is not at risk. Now then, contrary to what appears in the staff statement, little woodrow's is not a restaurant with 51% alcohol sales. As he presented as the allendale meeting, they will buy food from a restaurant in far north austin and have it trucked in. They will be operating under catered health food rules and no little woodrow's employee will prepare food. He clearly stated in the presentation to allendale that they were going to establish a cocktail lounge. We've also heard about the parking requirements. If you looked at that map, you can tell with those two buildings along clay, if you subtract their parking, there is almost none available. So what is he going to do? Is he going to board up those buildings or demolish them? They require parking as long as they exist. And the last thing is the liquor sales next to the church. Saint david's has an outreach at the next to new shop. It has been that way since it was on lavaca down south of 17th street. When the staff was dealing with, they said no pews, no church, but staff doesn't get to decide. Saint david's decides and they've decided that it's a mission. The salvation army and other organizations regularly have missions with no pews. It is a common thing for someone to go into a skid row, put in an operation in the midst of a whole bunch of bars, and that means that those bars don't have to quit but no new ones can start. If you want to look around austin for similar things, if you go to the saint mary's apartments on lamar at 183, those were established by the local diesis. They were claimed outreach and were

enough to stop a c store in lamar. I grew up in dallas and my folks took me to first baptist church. They had a roller rink and bowling alley and it was enough to son the liquor store in a cotton exchange building. The rules are clear, the precedents are established. If you guys go with this zoning and if they get the permit later on, there will be a protest filed the abc and it will be upheld and the whole thing will be moot. You can stop this by just denying the zoning tonight. As we have heard, the petition is close to being valid, and I would ask that you do hear it on first reading only and keep the hearing open so they can submit things. There are questions about staff actions on certifying the signatures and those need to be -- be handled. Thank you for your attention.

>> Mayor leffingwell: Mr. shore. Christy shore.

>> [Indiscernible]

>> all right. Mary long gile.

>> I will try to keep this really short. I am going to be talking a little bit about the noise level that we have. We -- I actually -- it says in the -- in the proposed site that it's a stepdown zoning. Well, I live less than 150 feet from the site, and we already are putting up with little longhorn, and i can sit on any front porch and hear everything they say, and we added a bedroom on to the back of our house so our daughter could sleep better. So being open until is going to be a real problem for our neighborhood, as you heard. I don't believe, and you can read about this, but -- in some of the landouts you have been -- in some of the handouts you have been having, I don't believe the neighbors are real happy about all of the little woodrow's that are around. There have been numerous sites. That's also in the information. I won't read it to you, but kxan had news articles and ynn had news articles about zoning -- actually 70% decibels and unhappy neighbors. When I attended the planning commission, jeff jack stated that at the first planning commission meeting, that this very thing happened in his neighborhood, and ten years later, there is not a resolve for the problems that are going on. So the issues that are -- that are dealt with and promised, the problem is trying to deal with them later on. There is no one really set out to help you deal with the problems after the promises have been made and broken. There are other things, not just the -- when people leave bars, there is a lot of noise and if they are parking in front of our homes, that is going to be a real difficult problem. We will have our dogs barking. We will have public urination, I was hearing about. That's a big, huge problem. So I just really hope that you will help us with this problem. Thank you very much. mary alice goey. Three minutes.

>> As you know, hello, everyone, I am mary alice goey and most of what I've got also has already been said. I will cut it short and i want to just start with that there is a place for everything -- that this is not the place for little woodrow's. Okay. This is the wrong establishment for this place, this location -- okay, two of the austin locations don't offer any food in the bar. One has bar food. The bee caves location has food but does not allow anyone under 21 in the building in the evening. This is a quote from little com, with four locations in the austin area and more than 100 beers to choose from, little woodrow's is the beer lovers place where the ultimate laid back and local sports watching experience, as if our beer selection wasn't enough. We also offer a wide variety of liquors out of kindness, we have redheaded sluts and cat daddy colas

among other great shots and my concern comes in. And my concern is the teenagers close by, lamar, the prep school, a new of the montessori schools there with the family and kids eating at up this der clouds, hat creek and amy's and I am worried about the safety of these kids riding bikes, skate boarding in the proximity of this bar, especially with the little woodrow's outdoor decks, also. I am concerned about the social impact of teenagers of having a bar with outdoor venue in this location, quoting from one of their signs that they've had posted in the past, what i most -- I am sorry, beer, it's what's for dinner. It is not a message that i want my children or other kids in the neighborhood to grow up with -- to grow up around and studies show that when patrons leave bars, they travel in neighborhood streets because they want to test their driving ability after drinking and they do not want to get pulled over by police. A lot of people walk in our neighborhood in the evening with their dogs, and their very young children and babies in strollers and a lot of teens, also walking. I want to finish with a little woodrow's is a bar and not a restaurant. That is why they require a zoning change. And, again, to end, there is a place for everything but this is not an appropriate use and this is not the place for little woodrow's and so I ask that you please bear in mind deeply that the neighborhood's concern that this will change the future of our lives. Thank you.

[Applause] brian jewel. You have three minutes.

>> Thank you. Mayor, council members. We are not here to say no to development. We want to see this developed. We want to see burnet become a vibrant part of the community. We are here to say that this can take place. Hodgepodge, a little bit here, a little bit there. It seems like it would make more sense if it was a comprehensive look to see what the neighborhood needs. There has been a lot of information that's been brought forward here about the number of alcohol establishments that are -- that are available on -- on the street. It's -- it -- this is an opportunity. You talk about south lamar a few minutes ago. Here is an opportunity on burnet between at least 45th, maybe north loop and koenig to develop it. There is a couple of things that have been highlighted in staff recommendations. It says zoning changes should promote -- and the key word there is should promote compatibility with adjacent and nearby uses and should not result, should is a very, very dangerous word. We use it in my business, well, we should order more because the lorin football team should -- because the longhorn football team should win. We mark it down. You can't mark down little woodrow's. You can't mark d -- you can't mark down a. And it mentions classic stepdown zoning. What about clay avenue? Right across the street. Literally right across the street. Zone change will not be a detriment to the neighborhood as the property has been used as commercial use in the past. It was an office building in the past. There is a little bit of difference between a bar and restaurant and an office building. A couple of take aways. The closeness, the proximity of a restaurant bar to a church, let's stop it here. Let's not even let it get to tabc. Parking. Let's not even send it back to the planning commission. This is a neighborhood. There is an area of homes. We don't have a nearby school close-by in our clay adams type of area. We don't have a park. We don't have any of those type of things. But it is a neighborhood. It's a neighborhood of streets. It is a neighborhood of people that walk, have kids. We ask that you don't let this neighborhood be known for a bar shoe horned into a very, very unique area. Austin java, bring it on. Let's put together a comprehensive plan for this burnet area. Thank you, we appreciate your consideration.

[Applause] henry dale. You have three minutes.

>> Dale henry. My name is dale henry and i am president of brentwood neighborhood association and a member of the the brentwood neighborhood contact team. I am here to speak for the neighborhood association. The issue here is mainly parking. There is not enough to be parking on the -- they will be parking on the streets. We have a large apartment complex going in just a block up, and the neighborhood is becoming more crowded. We are embracing the growth. We are embracing having vibrant change, but this is just too narrow of a lot, when those buildings next to it, the office buildings have their -- become tenants in them, those parking places may vanish. Can't say what the new tenants will want people to park in there. We have just -- there is just not enough parking. They will be parking on the streets. It's poor fit for a bar or anything that can bring this much traffic because there is just not room and then when people leave bars, there is sometimes loud and there are other issues there which have been gone over but it's just not -- it is not the right spot for this and I thank you for your time. thank you. Neil la bell.

[Applause]. you have up to 3 minutes.

>> Besides the downtown area, brentwood is a community, has been incredibly cooperative partner to austin's massive rezoning increased residential density program. We would like the committee to not allow woodrow's to open a branch in the brentwood burnet road location. The owner has zoom other businesses. Austin java being one. That would fit perfectly and be accepted in mass by area residents. The following are our biggest concerns but first let me point out a couple of things they said when they were speaking. I heard a lot about increase of tax base. We pay a lot in property taxes. As well and I think it's really unfair for a business, they do contribute, but a bar business, you know, to play on that fact, where our property is going to be going down in value as -- as a result of a bar being nearby. And additionally, how many times could you hear pub? The allendale branch doesn't even have a kitchen. Anyway we have a problem that it's near a church. We have a load of children in the neighborhood. Where noise becomes a problem, people driving into the neighborhood after they leave, avoiding dwis or whatever, which is a fact. It's -- little woodrow's is number 9 in austin for dui's and that was in the newspaper. When you look at the property of where little woodrow's is, it looks as if almost the zoning that they are trying to play with in proximity to zones, you know, you go from the middle of the property or do you go from the boundaries of the property. From the boundaries of the property, you are like 75 feet from homes. From the center, you know, maybe 165. It's very, very iffy. We just -- that is say this is a restaurant but let's be honest. They are a bar. They are a turtle racing establishment. They are a music wrestling establishment. I have a 2 year old daughter. I do not want her -- if I am walking with her at , if I forget to bring the garbage out to have some drunken idiot who is just going to the midget wrestling matches hit my daughter and the chance of that goes up 1,000 percent with little woodrow's, which is a bar, being put in that location. We want development. It's important to us. We are so prodevelopment in this neighborhood. Every lot is being -- a second home is being built behind it and that helps austin.

[Buzzer alarming] but you, please, please, please use that spot for something else. thank you.

>> Thank you. laura presley.

>> Hello mayor, mayor pro tem and council members >> laura presley and i have been in austin for 23 years and I have been an allendale resident for 12 years and currently I am the treasurer of the allendale neighborhood association. On behalf of the allendale neighborhood association, we are in opposition to the proposed rezoning of 5425 burnet road. Our executive committee voted and we stand with the brentwood neighborhood association in opposition to this proposal because of the impact this proposed zoning change would have on nearby residents. In particular, we are concerned about inadequate parking. The proposed parking for this site is in violation of city regulations requiring parking for a bar or restaurant with late hours permit to be at least 200 feet from property zoned as sf-6 or even more restrictive. We are also concerned about the impact this proposed rezoning would have on neighbors. While we appreciate that it may not be a formal consideration in the rezoning process, it's hard to ignore concerns about late night hours until , inconsiderate bar patrons and outdoor noise from amplified music and televisions. The allendale neighborhood association executive committee completely supports redevelopment of this site, but we don't feel that the proposed use is compatible with the surrounding neighborhoods. We want the development. We just don't think this is a good fit. Our -- our allendale neighborhood association executive committee letter should be in your packet. If you don't have it, we can provide that. Any questions? Thank you. thank you. Steve portknight has smoke en. You can check him off. Sam shore.

>> My name is sam shore and I am a resident in the brentwood neighborhood and i believe that my wife christy shore has donated her 3 minutes. okay, 3 additional minutes.

>> Thank you. If you can find the slide i want to point out some things about this neighborhood that are quite unique, and there is two things that I want to ask you for this evening. And I want you to know that the street you are looking up here do not have sidewalks. Adams avenue is a 27-foot wide street. The other streets are narrow neighborhood streets. No sidewalks. We will walk our kids. We walk them in the street. When we teach them to ride bikes, they are in the streets. Those are big concerns for us. Safety is a big concern. When you try and walk up burnet road right now, from adams avenue, you see it there, where the bus stop is, when you go further, you go by atomic tattoo, you cannot take a stroller or wagon or around in front because of the angle parking they do that is grandfathered in. We are asking again for that kind of parking where we can't use the street as a pedestrian street. It is not safe for our kids and it is very scary as an adult. I -- I am here because i believe -- we have an assault on our neighborhood. We -- and I will give you two examples of this. The one I am talking about right now is the rezoning for a bar. It is incompatible with our neighborhood. We heard earlier the council member saying we have a goal of austin being the most livable city in the country. This doesn't meet that test. This is not livable for those of us who own property there. I own four properties, my wife and I do, in austin. One of them is on manor road across there eastside cafe. It is vibrant. There is lots of stuff happening. When the buses go by, my duplex shakes. I didn't mind that when i lived there because I didn't have my small kids who are here tonight with me. I moved out of there and let young people rent my place and they love it. They love that view brancy. This is not the same as that area of town. I am all for that in the right place and those points have been made before. There are places for this kind of thing. This is not it. Austin java would be nice, as others have said. So I am not going to into the reasons I had noted for this particular bar. Any bar is inappropriate for this particular area. Notice the angle of burnet road here. Those angled corners are deadly and dangerous right now. I have pictures from right after talking to the city staff about

the other assault I will talk about in a minute, where a car is tipped on its side in broad daylight because of an accident, someone trying to turn on these streets. These -- this area needs some work. So let me go back to what I want to ask of you tonight. One is to stop this particular initiative now, by not approving the rezoning. Don't kick the can. That will be kicking the can to where we then have to guernsey and his staff around little variances on the zoning and I have no confidence whatsoever that we are going to be successful at that stage. That, again, so stop it now. Vote against it. And then the other thing is, require the city staff to do a serious planning effort with those of us in this unique part of Brentwood that are up against this commercial area. We bought the property knowing that. We are willing to work with that. But our little neighborhood plan, it speaks about this difficult area and the transition from residential to commercial. But it stops short of really coming up with a plan about it. It's time to do that. The other assault I will mention is the one that was referenced, that big bear spot right now -- the big bare spot will have 180 apartment units, burnet flats, the only ingress egress is on Adams Avenue. That's a 27-foot street. Now, how do -- it will have by the traffic standards 1800 car trips a day now. You have to have a minimum of 30-foot wide street. How did it get passed? Well the site reviewer said if you widen the street by 3-foot, just along the property you own, then you are compliant now. Try and get out on Burnet Road right now on that corner. Turning right, you have to use both lanes. It is impossible. Turning left, you have to go down traffic. It's impossible. People are going to go through the neighborhood. That's poor planning. We can fix that. We have ideas in the neighborhood. We have met with city staff. But it is like meeting with city staff is -- you are working with stove pipes. Well, I do transportation. I don't do site review. Well, I do site review, I don't do transportation. Well, I do connectivity. I don't have any control over this. Where are we in terms of coming together with the neighbors and comprehensive planning for this? We have not made the progress. We can do better. We can have a livable city. It takes some time to sit down and work through the issues where we can all come up with something that we can live with. And I think that it's going to take people at your level to do that. It's not lost on me and assure you, the irony the earlier case you heard between Wheatsville and this one, where you have the support and people believed that was compatible. That is not what you are hearing here. They are going to carry out liquor, okay. Here, the only one carrying out liquor will be young adults with poor judgment and they will be coming down our streets. And that really is hard to think about, when you have young kids and you live on these streets and you try to have a very livable neighborhood. So, please, stop it now. Don't pass this. And force the city staff to work with us, to come up with a viable plan for this very unique.

[Buzzer alarming] area on Burnet Road. Thank you.

>> Thank you.

[Applause]. Three minutes from the applicant for rebuttal. Three minutes. You have 7 set on there.

>> Mayor, I am just waiting for the handout I passed to make it out to the end of the day so I can speak to it. In -- in conclusion, Mayor, one of the items that was stated had to do with the property next door, next to new, the handout you just have is a certificate of appropriateness. The building permit that was applied for to remodel the building that next to new, the thrift shop next door is a retail use, so the building permit that is issued and their occupancy permit is for a retail

use, not a religious assembly, it is not a church. I attended a meeting with the board of directors to discuss the shared parking arrangement several weeks ago in the building with engel and we will continue to have the dialogue, after you make it through zoning, come back and let's continue to have the dialogue about shared parking arrangement. So they are not a church. They do not have -- it is not a religious assembly use. It is a retail use based on official city records approved for the use. Secondly, I would like to state that the proposed use is about a restaurant. The model is going to be patterned after the facility that is at west parmer lane. These are restaurant, an it I can't recall restaurant that serves the food and then -- italian restaurant that serves the food and little woodrow's is the bar component. I have a slide up to show you under current zoning with cs we have today, you could have a restaurant that serves alcohol until midnight without -- you can open that tomorrow, until midnight, and the parking within 200 feet is not prohibited. So you could park on the entire site with that same thing, people drinking. They can stay up until midnight and on saturday under state law, you can still go up to 1:00 o'clock. 00 o'clock, that's when you have to get a special approval from the planning commission. So the difference really is an hour or two, assuming the commission approves. All we are asking you to go through the planning commission process. The planning commission heard the arguments they heard tonight, at least most of them and they unanimously approved the zoning 9-0 knowing conditional use permit process would be the tool with which they get to assess the operational issues, where we can demonstrate how we comply with the finds of fact that are -- findings of fact that are contained in the land code of the conditional use of the permit. We are asking to approve the zoning that is recommended to you, unanimously 9-0 with the planning commission with the understanding that the conditional use permit itself will get to demonstrate how all of those aspects that are raised are addressed. Thank you very much and I -- if you have any questions, i will be glad to answer them. thank you. Council member spelman.

>> Spelman: Alice, did you get a copy of this neighborhood concerns booklet?

>> No, I don't have it but I --

>> Spelman: I believe this is from the brentwood neighborhood. This is -- there are a lot of concerns that were raised by people this evening, but this actually has -- it seems to have a pretty good compindium of them raise and I want to go through all of them which are a concern to me, I think. The argument they made about parking is the strongest argument they had. You don't have 50 spaces on this lot. If you are going to have a bar, you are going to need to have more than 50 spaces. That math doesn't match with the matthew were showing me earlier. So I wonder if you can go through that math again and see if we can understand your counting of spaces required for square foot and so on differs from what it is the neighborhood may have come up with.

>> I will explain that. The building itself is -- the current size of the building is 4,000 -- let me get to my notes -- 4,000 -- 4400 square feet. That is if square footage of the building itself. And the -- let me just go back to probably the slide that had the square footage so I can just show you the square footage is -- what it is considering right now is the restaurant component which is going to be operated by the restaurant by the name of alfarno. The restaurant will be, we are estimating to be approximately 2,064 square feet, restaurant and patio. Under the city code and staff can confirm that, if you have a restaurant that you all bought, the space is less than 2500

square feet, your ratio is one space for every 100 square feet. Little woodrow's, the same building, you can have the space for the ballpark and the patio, 2900 square feet ratio, one space to every 100 square feet. Corporate office and storage, 669 square feet, ratio per office one space per every 275 square feet. 5 and this is assuming we build a patio 1,000 square feet, which we don't have to but I am going to the maximum. There is the 20% discount under the urban core, so it will be 37 spaces and so we use that rationale in calculating this, and so the square footage goes down, your required number of spaces go down.

>> Spelman: Suppose instead of a bar that had 2349 square feet. You mentioned under 2500 square feet seems to be a cut-off point. How many spaces would you need per square foot if the bar had more than 2500 square feet? It?

>> More?

>> Spelman: More.

>> It would be 1-50.

>> Spelman: One-50.

>> Yes, so you would need twice as many parking spaces for -- for any particular size of footprint?

>> One-50 for the bar. The restaurant that doesn't -- the restaurant will still be 1 to -- i think 1 to 75.

>> Spelman: Okay. The restaurant and patio and little woodrow's bar that you were talking about add up to 4400 square feet. That is the size of that big square building up in front right on burnet road. >> that is correct.

>> So there is a separation here between the restaurant on one side and the bar on the other side. Is that right?

>> Yes.

>> Spelman: Tell me more about that separation. What is going to happen differently in the restaurant section than the bar section.

>> Well, we will -- that aspect of it will be designed at the time of the building permit, to be able to -- in order for them to -- to standalone as separate entities but you can still sell food. You can walk into the alforno restaurant and order food with a drink and the bar is next door so there is a dividing wall to separate the uses within the space.

>> Spelman: There will be a wall between the two of them. You will be able to get from one to the other. They are on the same lot after all.

>> Correct.

>> Spelman: Will they be separate owners?

>> Yes, they are separate owners. This model at west parmer lane and they are separate owners. The restaurant is operated by a separate owner, so engel would sublease the space to the restaurant. So they are in the same building. engel is going to buy the big square.

>> he will lease the whole square and then he will sublease to the restaurant provider.

>> Spelman: The restaurant is a separate kitchen, separate clientele, the presumption is people aren't going to be walking back and forth between the two of them?

>> Well the dividing wall -- if we have the dividing wall, you can simply have two separate uses but they can sit outside on the patio but you will have to sit in both places.

>> Spelman: I am sorry, demising wall?

>> It is a term -- just think of it as a wall. Where you clear the space, clear separation.

>> Spelman: Okay. I will look it up at some point and find out what demising means but right now I will think of impenetrable barrier.

>> So you have the required versus what you have on site.

>> Okay.

>> Spelman: Why is it that a large bar, say 25 -- 3,044 square feet say, why does the city require one space for every 50 square feet for a large bar but only 1 per 100 for a smaller one?

>> I am assuming that's a -- i am not sure about the rationale for that.

>> Spelman: Who is conveniently coming up the microphone to answer my questions right now.

>> And as he is coming to you, I would like to state to you, the other thing the planning commission is considering, they knew the 179 apartments under construction to a north of us a block and we have another 179 units currently occupied, that this use would provide -- would be a good use to be -- for the area, given the number of apartments that are currently in place and those that are planned for the entire corridor for 49 street that would be a neighborhood.

>> Spelman: As my son the software developer said, it is not a bug. It is a feature. Now, george.

>> Council members, we did surveys a number of weeks ago and from other cities and there seems to be a break around 2500 square feet, where the use becomes more intense, and the parking requirement increases. I know it sort of defies logic but there seems to be a breaking point right around that -- that number, where the parking ratio actually goes up.

>> Spelman: Okay. Can you tell me anything more about what might happen inside the bar, how the bar might -- can you speculate on why the -- there may be greater intensity at a larger bar?

>> You might have more people standing, for example. Not necessarily everyone would be seated. You could have more of a bar area, fewer tables, things like that. You might have more entertainment in a larger bar that would tend to draw more customers.

>> Spelman: That would make sense. I would see you have a stage, for example, which would get -- by itself be a draw or whatever you did on that stage. Okay. Thank you.

>> Cole: Mayor, I have a couple of questions. mayor pro tem.

>> Cole: glasco, i wanted to ask you a couple of questions also that were listed in the neighborhood's concerns. I know you are asking to consider the parking issue with the planning commission but one of the things that you say that you will be doing is requesting multiple waivers in the site plan process and one of those is the waiver of the core transit corridor guidelines. Is that correct?

>> That's not correct. There is a misunderstanding about the commercial design standards which designated roadways. Those regulations come into effect when you build a d new building. We are not doing any of that. So, for example, you are required to have your building closer to the street. Some of the things you probably heard from drenner's presentation, like it is going to go where taco cabana is. Taco cabana you can't have them do core transit corridor if they came in for zoning change. The way code reads and staff report has that in their report that when new development is proposed, then those standards would apply. And we are not doing any new development here.

>> Cole: So you would not be asking to waive the core transit corridor guidelines?

>> No. Because they are not applicable.

>> Cole: Because they are not applicable. What about the waiver of the 200-foot rule of distance from homes to --

>> the 200-foot is a statement under the conditional use permit that at the time of the conditional use permit that the planning commission can consider that request, to grant the waiver.

>> Cole: So you may be requesting that but you are going to do that at the planning commission?

>> Those aspects can only be addressed -- because we don't have a conditional use permit before you tonight. You have delegated through the city charter that purview to the planning commission to approve all conditional permit use site plans and so we cannot -- we would have to demonstrate that to them and the reasons why and I point that out if you are to have a restaurant, austin java was recently opened in tarrytown on windsor exposition and residential street in the back. The residential street in the back of the shopping center at that intersection, it is similar to what you see on clay avenue. You have single family homes along the street,

parallel to exposition in the back of the center and then you have windsor and homes on the other side and austin java opened there. They have a full bar. All austin java restaurants have full bars and go up until midnight so you -- and parking is not prohibited within 200 feet.

>> Cole: Thank you.

>> With alcohol.

>> Cole: Thank you. Ma'am.

>> Mayor leffingwell: Council member riley.

>> Riley: Alice, you have the handout from the neighborhood that addresses that parking concern that the mayor pro tem was just raising.

>> Right.

>> Riley: I understand your point, that the sub chapter e doesn't really apply by its literal terms to your project because you are not developing a new building.

>> Correct.

>> Riley: But all the same, I think the neighborhood has raised some legitimate concerns about the parking, especially the parking in front, because the design standards set out in sub chapter e do reflect a vision for -- for a commercial corridor that is more pedestrian oriented thanks say, typical auto oriented corridors, like burnet frankly has been to a large extent in the past. One aspect of that is this head-in parking that not only creates an uncomfortable pedestrian environment for anyone trying to walk along there, but it also poses some real problems when people try to back out on to burnet road and the neighborhood made a good point, that that can be a very challenging thing to do, especially at certain times of the day. So I just wanted to ask about that because if we -- if what we are talking about is a bar that would be relying on those head-in parking spaces right in front of the building, i could see why the neighborhood would be very concerned about that. You have people hanging out in the bar, getting in one of those things, trying to back out on to burnet, in addition to having a dangerous pedestrian situation there, it also just seems to create -- to be a potential for havoc there, so have y'all thought about other alternatives as opposed to keeping -- although it may well be your right to keep those -- those spaces just as they are, have you thought about alternatives to that parking configuration? Any scenarios in which you might not necessarily have those 14 head-in spaces right in front of the building right along burnet road?

>> Well, one option would be, I guess, your tradeoff would be -- and I am assuming you are talking about either having either a deck -- I think maybe a deck coming closer to that. The options can obviously be explored if there are going to be some tradeoffs with this redevelopment -- reuse of the building for redevelopment that are -- that can be considered as -- through the -- because the cycling process will designate exactly which uses will go where and explore that how that will be accommodated in order to address what you just raised.

>> Riley: So y'all would be open to the possibility that you could make-up for those 14 spaces elsewhere and have, say, a deck or something else, or maybe even some -- one of the speakers talked about having some land scaping or something that is more accommodating to pedestrians than head-in. So you would be open to --

>> we can explore all of those options as to -- and that can -- that can be explored and addressed at the fifo stage.

>> Riley: Can it be addressed at the time you go to get a conditional use permit.

>> Yes, the conditional use permit is the same thing.

>> Riley: In fact, they -- the code provisions governing conditional use site plans specifically mention that the land use commission may requ that -- that the site plan compile with the condition approval that requires requirement for vehicular ingress and egress. That would be something that would be easily handled at -- when you go to get your conditional use permit?

>> Absolutely.

>> Riley: And open to some scenarios. For instance, if you are able to secure 14 spaces in the neighboring -- in an adjacent lot to make-up for those and so you might have landscaping in and a patio in front instead of the 14 spaces, you would be open to having a conversation like that?

>> Yes, we are open to exploring all of those elements at that stage. If we make it through this stage, then that will be the next step to address all of the issues that you just read that are in the planning commission's criteria for approving conditional use permit that you will look at landscaping, where there are opportunities for that and we will be looking at that, too, and working with adjacent, neighboring property owner that -- with whom we've met and look at those aspects we've talked to you about.

>> Riley: That cpu process also requires discussion about hours of operation and buffers between the site and adjacent lots, all sorts of things like that. Are y'all ready to have a conversation about all of those sorts of things?

>> Yes. We are willing to have a conversation about everything and anything to make this a compatible and a place that truly can have people walk to with all of the new rezs on board and come -- the new residences and the new people that are there to make it a safe place for everybody and we will work to that end, absolutely.

>> Riley: Thanks.

>> Mayor leffingwell: Council member tovo.

>> Tovo: Vy a few follow-up -- I have a few follow-up questions. glasco on council member spelman's questions about the squire footage and demising wall, which I did look up. There was a discussion about the patio and I didn't completely understand your answer about whether

patrons of the restaurant could migrate from that outdoor patio to the other outdoor patio that would be at the little woodrow's.

>> They could share the patio -- the patio can be designed either way, really. We haven't completely designed the patio, because the patio is there and it will wrap around the street or the building. And so it may be mark ronberg who is the architect who is going to be designing to that can speak to that.

>> Tovo: I am less concerned about the design than how it affects parking requirements, because if the patio on either one -- if you are talking about -- i think I understood you correctly, about 1,000 square foot patio for the restaurant and patio --

>> if square footage up there in -- the square footage up there includes the patio. The 2,000 plus includes a patio.

>> And I had asked a question before and i thought I got the answer the patio itself is calculated in here as 1,000 square feet.

>> Correct. It is in the reach of those separate uses.

>> Tovo: It sounds like we have 2,000 square feet of patio. One thousand for the restaurant --

>> no. It wouldn't be --

[one moment, please, for change in captioners]

>> so I wouldn't say most but a significant amount. so a significant amount of the patrons at little woodrow's are actually going to be outside the structure?

>> Correct. And lots of times we have big rolling doors on the front so you can open up the inside to the outside on nice days.

>> Tovo: okay. So then my question is with regard to the restaurant and patio above -- so i understand on the second line we're talking about this patio, it's about a thousand square feet.

>> Correct. so then in this first line, restaurant and patio, how much of that 2,064 square feet is patio? Another thousand?

>> None.

>> Tovo: none. Okay. So for the restaurant, and i didn't catch the name of it, that would be sublet, 2,064 is all restaurant, there is no outdoor space.

>> Right, and it's primarily kitchen. So of that space a large amount of it is kitchen space for making pizza, things of that nature. So they'll probably have a pass-through window so that if you're sitting outside they can sell you a slice of pizza but you can't take hard alcohol from the

bar into the restaurant. so the restaurant noted in the first point on this list would actually be serving food to the people sitting at little woodrow's patio.

>> When they're open they can, yes. I guess, then, my question is for staff -- my next question -- thank you, and I don't know if other people have questions for you before I turn to my questions for staff. zapalac or guernsey or rusthoven, I guess I'm wondering if you've -- if you could help me understand the parking implications of these -- what sounds like uses that are alsup all all supplementing little woodrow's, if the restaurant is serving patrons the food at little woodrow's, in some ways it's -- it might need to be factored into the parking at a different calculation than we have here before us.

>> You're correct, and i should emphasize we haven't reviewed the site plan yet. It's been submitted. We've had a meeting with the applicant and looked at possible scenarios and made comments upon those, but we have the concern that, you know, if you're computing parking at different ratios, then you have to be able to clearly delineate one use from the other, and so, you know, for example, if the -- the outdoor seating area is accessible to people from the bar, they can take their drinks from the bar outside, then that has to be calculated at part of the cocktail lounge, not as the restaurant. So those are the kinds of things that we will have to address when the plan is officially submitted. We will require them to provide a floor plan and demonstrate that the business are functionally separate. thanks, and i guess, you know, I was making this point earlier but I think inarticulately, at that point the folks before us are fairly down the road and, you know, this is the -- this is the point at which I think our council needs to address whether this is an appropriate use for this land use designation and not rely on the conditional use permit to sort out issues that are rearing their heads now because then we've, you know, led the applicant to believe that this may be an appropriate use for this site and indeed the evidence may suggest otherwise. So I guess I have one other question. We talked -- you've heard a lot of the speakers here today talk about that this might be a better site they would welcome an austin java on this site, and I guess i would also ask the question, one of the speakers talked about six other sites within a close proximity along burnet being appropriate -- having the correct zoning, and four of those are not actually utilizing that zoning and I wondered if there was any consideration from your client, glasgow, of actually vesting one of those sites -- investigating one of those sites that already had the appropriate zoning, which if there is a sense this is a geographic area that could support this business, why not select a site that had the right zoning?

>> I -- that's probably a question that's best -- thanks, if he would like to come up and talk about it.

>> He's coming up on the other side, you know, what kind of arrangement they have on the site. yeah, may not have the right space or --

>> we did look up and down burnet road and have for probably the last 1 months. I do -- 18 months. I know a couple of the sites but I didn't know of any cs-1 sites that were vacant when I was looking. I do know that with respect to this site and the landlord and everything else we've done, this site really sets up very well for what it is that we're trying to accomplish. So that's why we've been working directly with the landlord on this one. And we've gotten cs-1 zoning on many of our other sites, and again, a lot of these same issues came up and we've resolved them.

So we thought this was going to be an appropriate time and appropriate use for this site as well. okay, understood, thanks, and I may have said vacant but I think the term the neighbors used, just to be accurate, was something like not being utilized for that use. So I didn't want to sound like the neighbors had claimed something that wasn't necessarily accurate. Thanks for that response.

>> Thank you.

>> Mayor? council member spelman. engel is close by the mic, if I could corral you for another couple questions. Little woodrow's -- are all little woodrow's the same or are they different from one to the next?

>> They are very much the same. The only nuances that we do have right now are the bee cave location, we did modify because of our customer demand with respect to allowing under 21 there.

>> Spelman: okay.

>> And we would propose to do the same here if that was a demand. We do have a model that works and a [inaudible] that works. if, for example, somebody in the neighborhood wanted to get into a restrictive covenant with you, you would be amenable to at least talking about that?

>> We'd sure be open to discussing that, absolutely. how does the bee cave little woodrow's behave differently than the one on west 6th street or the one on south i-35?

>> Really, that one does have a food component inside the location, so we've got a menu that would be actually very similar to the menu that we would have at this proposed location as well.

>> Spelman: sure.

>> There are a couple locations that don't have food components directly associated with the concept. But otherwise they do operate fairly similarly. the little woodrow's on west 6th street is a bar and you don't have food there. If you want food you go across the street and you go someplace else.

>> We actually do sublease a space to taco trailer there at that location and have for about eight years.

>> Spelman: okay.

>> And that seems to also work very well at that location.

>> So if I want a taco then I can go to the trailer but that's not something you handle yourself.

>> Correct.

>> Spelman: okay. The reason I ask is because I was surprised to find that you were on the list of top dwi bars for 2012.

>> That was a surprise to me as well.

>> I presume this is the little woodrow's on sixth street that is in the top ten list.

>> Yes, it is, and interestingly I think we still brought up the fact they got a letter from the tabc acknowledging how they had been a very -- very cautious about serving underage minors and things of that. We got the very same letter. I was surprised to see that. I'm not sure that's an accurate statement to be honest with you. We have never gotten a report that shows any of those details. which part is inaccurate, the part that you have a lot of dwis in the neighborhood?

>> There may be a lot of dwis in the neighborhood but those patrons go all the bars up and down as well.

>> Is sixth street well-known to have a higher incidents from dwis from west 6th street bars for example than from the east sixth street bars.

>> Or any of our other locations, south lamar, bee cave, or --

>> but you saw the letter from the co-op and as far as you know you're good in not serving people underage.

>> And we're extremely conscientious about serving alcohol. We've really never had any incidents or anything of that nature and have been very careful over the 25 years I've been doing this. I think we have a very good track record. I think some of what's going to happen is going to depend on who's in the bar, if you've got 6-year-olds eating pizza with their parents in the bar, then the bar behavior will be different. You'll have a lot fewer provocations to serve people who have already had too much to et than if you're on west 6th street and everybody is 20 years old and having a great time.

>> And I'll also note that currently most of our locations don't open until 3:00 in the afternoon. This location actually will open for lunch seven days a week. So again to your point, i think that type of activity would be appropriate for the neighborhood and I think that would change the way in which we may operate this location as well.

>> Spelman: okay. So even if it were accurate, and I suspect it probably is, that you did have a very high incidence of dwis coming out of little woodrow's on west 6th street there's no reason to expect a similarly high incidence coming out of parmer lane or south i-35 or certainly from bee cave.

>> That's correct. or from this location here given who your patrons are likely to be and given how you're likely managing it?

>> I would agree with that.

>> Spelman: okay. Thank you, sir.

>> Thank you very much. Entertained a motion on this item him. Council member Spelman. It's late at night and we need to go home, so I'll stick my head into the mill of this one. It seems to me that this is a difficult case, that the devil is in the details and the question before us, given that there's a conditional use permit conceivably at the end of this if we decided the zoning were appropriate, the question is whether or not the conditional use permit is the appropriate place to sort those details out or if we ought to sort them out ourselves. It seems to me that that question hinges on whether it is reasonable to expect that there is some way of working those details which would hold the neighborhood largely harmless and which would provide an appropriate venue for the uses that Rangel has in mind for this location. It seems to me it's at least conceivable that that can happen. I don't know that that will happen. A lot of it again depends on the details that they can work out. Perhaps parking is the biggest one in my mind, whether they can work out the parking with the next-door neighbors or not, but it is at least conceivable, I think it's worth the trouble to keep this alive and so I'll move approval. Speaking man moves to -- is that one or -- this ready for all three readings, Mr. Guernsey? It's not.

>> It is ready for all three readings but the ordinance does not address any of the additional items that Glasco had mentioned in her presentation, although a lot of those items would actually probably be best addressed when you're doing the conditional use permit. Some of those, with respect to not parking in the right-of-way, would be something that would be handled appropriate separate from either one of those processes. Either this process or the other. So, for example, if we -- if we chose to okay this on all three readings today, you could address all Glasco identified at the conditional use permits phase? That's something you have the legal authority to do?

>> Yes, that could be done through that. As I said, parking in the right-of-way would not be allowed.

>> Spelman: right.

>> I think the way that -- they suggested striping but that would be looked at at the time of the conditional use permit. And I'll also note that if there was an interested party that's agreed by the decision, either a favorable one or not favorable one at the commission, it could come right back to you, because that's appealable -- it's appealable to the city council. So by appealable you're saying the conditional use permit issued by the planning commission could be appealed by us.

>> Or the denial could also be appealed to you. I can tell we're going to see it again anyway. Okay. Thank you. I'll -- Mayor, I'll -- I move to close the public hearing and approve this on all three readings. Council member Spelman, close the public hearing and approve on three readings. Is there a second? Second by Council member Riley.

>> I just want to point out line 16 of the ordinance we left out the numeral one on the abbreviation of the district, that should say CSU 1. If you do approve that I want to know that official lip for the record. And that's something that can be easily corrected.

>> That's correct. and obviously that's the intent. Maybe pro tem. I have a quick question for mr. guernsey. The conditional -- I know that the neighbors were working on a valid petition, but you just said at the planning commission that it is appealable by either side if it's not -- if it's not in their favor.

>> The conditional use permit, that is correct. That site plan may be appealed. the site plan, and the valid petition is not going to have any impact on that.

>> It would not. You would -- council member riley.

>> -- To get to the appeal, though. I just wanted to say I think -- I agree with council member spelman's comments. I think that the -- there is a lot of work to be done in the process of making -- in terms of further discussions on this site, though, and that is the purpose of having that whole conditional use permit process, so you can sort through everything, you can work out details on things like hours of operation, even parking, entry and exit, vegetation, all those sorts of things that would make a use like this more compatible with the surrounding area. That's exactly what that process is set up for, and given that there are already -- there's a tradition of bars on burnet road, it is -- I don't think the zoning request itself is out of the ordinary. I think it's a reasonable request for zoning. I'm not -- I think it will be a difficult process -- the process will be a challenging one to get through and I don't think even a positive decision tonight would be any guarantee of the outcome of that process, but I think in terms of procedure, I agree with the unanimous planning commission and council member spelman that it makes sense to go ahead and get the zoning in place and then have those conversations in the course of the -- getting the cup permit.

>> Cole: mayor? mayor pro tem cole coal I wanted to point out -- I wanted to point out that council member martinez is gone and the neighbors have requested we only go on first reading, so I would make a motion to substitute consistent with council member spelman's and we go to first reading. I'll accept that as a friendly amendment if you'll offer it. I just did the math and figure we probably haven't got five votes.

>> Cole: okay. all right. Friendly amendment to change it to first reading -- first reading only. Council member riley, do you accept that?

>> Riley: all right. council member tovo. I have a few other questions and it sounds like at least one of them might take some staff calculations and maybe having just first reading will allow us to get that information. But, you know, just looking quickly at the square footage, we heard some discussion from the applicant and a lot of back and forth about how much square footage we're talking zapalac talked about the difference and how the parking needs escalate with larger-sized bars, and so I guess I would like to know what kind of parking requirements -- what the difference in parking would be if we're looking at 4413 square feet, somewhere in the range of 3613 to 4413-square-foot -- a -- sorry, it's late and I'm not conjugating that properly but basically a bar of that size, between 3613 and 4413, which is my -- I came to that calculation by just adding these two uses, because it seems to me there really -- as I made the point earlier, they seem all to be supporting the little woodrow's use. I also wanted to ask, mayor pro tem cole was

asking earlier about the waivers that the neighbors pointed out would be required to fulfill the parking requirements. glasco address the waiver of core transit

[inaudible] guidelines and said it was not applicable because it's a use of a building rather than construction. 2, the waiver of the 200-foot rule of the waiver of the distance from cocktail lounge. We did talk about earlier, glasco responded by talking about the cup process but I want to be really clear. The answer to that is yes. They would require a waiver of the 200-foot rule of the distance from homes from the cocktail lounge. So the answer is yes, they would need to acquire a waiver down the road to meet that requirement.

>> They would have the ability to ask for a board of adjustment variance but it may be difficult because they would have to show hardship going into that, but there is another way that they could address that. Another possible way too is that if they were to abandon all parking in that area and sought off-site parking that did meet the 200-foot setback requirement, that may be another way that they could address it.

>> Mayor leffingwell: mr. Gu gu ernsey, aren't all these site plan or conditional use issues -- we're really just zoning a piece of dirt here tonight, we're not zoning woodrow's. We're zoning a piece of dirt, cs --

>> that's right. If council were to approve the zoning tonight, woodrow's could leave and the owner could find another tenant.

>> Mayor leffingwell: right. and then I had a question about the third one, the waiver of the screening ordinance for residential district compatibility. Is that required? Would there be a requirement of a waiver of the screening ordinance for residential district compatibility?

>> I guess I'm not sure -- i mean, if the space is already existing, there may not necessarily need to be screening of something that already exists in a basic noncomplying status. So I guess I would need to take one -- one, staff i don't think has that handout that has been passed on the dais and we would ask a copy from the neighborhood, before they leave tonight, if they could leave staff a copy so we could examine it. If they were putting in new parking, if they were putting in a dumpster facility, those things that normally we would require of those types of facility. If it's just an existing parking space and nothing is changing with it, there may not necessarily be a requirement to come in and do additional screening of that space.

>> Tovo: great, thanks. Well, it would be good to get responses and information about the parking. And I do think it's compatible because we are considering a zoning change that would -- and we know what the intended -- the tenants intended use is and it's to have a bar, and we've heard concerns from the neighbors that the parking is not sufficient and that's going to impact their quality of life, among other concerns. So I think it's absolutely appropriate to consider whether there's sufficient parking and if they did decided to go forward with this plan, whether they could park all those cars on their site, and it's clear from the information tonight that they can't. And I would say what really concerns me about this, it is -- you know, council member riley, you point out that there are bars on burnet, and it is a -- it is a corridor, it's a -- you know, a commercial corridor and we do have bars in other areas on burnet, but this is a pretty unique site

and i think the neighbors have shown us that in looking at the map, that it is a really unusual -- it's unusual geographically in terms of the way the streets are laid out, and this would have a pretty intense impact on the single-family residents who are in very close proximity to the back of the lot and not far from the side either. So I will not support the motion and I -- I really just want to emphasize something that we heard the architect talk about, which is the extent to which a lot of the activity is going to be taking place outside on the patio and indeed the doors -- you know, the bar may be designed so that the doors go up and there is more flow in and out. I mean, if you go by that side and envision that kind of structure on that lot, that will have a very significant impact on the quality of life of the surrounding neighbors, and, you know, by no means do i mean to say that little -- that there's not a place for little woodrow's in some other area in close proximity, but I do think it should have the right zoning, and, you know, that's -- that's where i stand and I think that we've heard that certainly from the surrounding neighborhoods. council member morrison.

>> Morrison: thank you. First I want to say that i think the idea of repurposing this building is totally cool. I love this building despite the fact that I got in an accident driving trying to get out on to burnet one day right next to that. That was years ago. And I also want to say that I know -- I worked specifically with folks near the little woodrow's when you had it on guadalupe when there was a sound problem, and I know that -- rick, i know that you worked, you know, diligently and took care of that sound problem. That being said, I'm very concerned about this zoning case because, you know, to echo some of the comments council member tovo said, but also for me, I think the issue of having a sports bar and a lot of outside ACTIVITY INCLUDING TVs AND Large crowds can have a very detrimental effect on neighborhoods, and I have seen that explicitly, and one of the things that i think is so important that we do as the city grows, and it's interesting, because we haven't seen a case quite like this that strikes me quite like this for a while, and that is, you know, fabric freys from the edges and I'm very concerned -- we have to be very concerned about the degradation of the quality of life of our central neighborhoods from the outside in, and I just fray -- my experience and what I know about this particular project and what could be with cs-1. Cs-1 is -- let's just put it on the table. It's different than cs. It's different than having a restaurant that serves liquor but has 51% of their revenue from food. And I just think this is -- it is too -- too close to neighborhoods. For me, that 200-foot limit for parking near neighborhoods for cs-1, that's a really important limit, a really important limit, and to go headlong into something just to find a way to work around that limit I feel like it's the wrong direction so I won't be supporting this motion either. all in favor of the motion say aye.

>> Aye.

>> Mayor leffingwell: aye. Opposed say no. Passes on a vote of 4-2, council member martinez on the dais, first reading only.

>> That concludes the zoning for this year. for this year, sounds good. That concludes our agenda for this year. Without objection we're adjourned at 9:27 p.m. . ecl)@