



**City Council Questions and Answers for
Thursday, March 20, 2014**

These questions and answers are related to the
Austin City Council meeting that will convene at 10:00 AM on
Thursday, March 20, 2014 at Austin City Hall
301 W. Second Street, Austin, TX



**Mayor Lee Leffingwell
Mayor Pro Tem Sheryl Cole
Council Member Chris Riley, Place 1
Council Member Mike Martinez, Place 2
Council Member Kathie Tovo, Place 3
Council Member Laura Morrison, Place 4
Council Member William Spelman, Place 5**


The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.


QUESTIONS FROM COUNCIL - None at this time

1. Agenda Item # 2- Authorize negotiation of a power purchase agreement with SunEdison, for a term of up to 25 years for up to 150 megawatts of solar-generated electricity, in an estimated amount of \$21,000,000 per year, for a total estimated contract amount of \$525,000,000.
 - a. QUESTION: The 3/10/14 memo from AE states that this purchase, "is expected to have a very small but favorable impact to Austin Energy's Power Supply Adjustment over the 25-year term of the agreement." 1) Are there other proposals received in response to this RFP that Council should consider at this time due to the attractive pricing of the proposals? 2) Did the "very competitive costs" included in the responses to this RFP lead AE to consider moving forward with any additional large purchases of solar power prior to the expected changes in the ITC? COUNCIL MEMBER RILEY
 - b. ANSWER - Details regarding the proposed power purchase agreement with SunEdison, as well as any other evaluated proposals and the implications on Austin Energy's wholesale energy strategies, constitute public power utility competitive matters. Therefore, Austin Energy must answer these and any other questions of a competitive nature in executive session scheduled for Thursday (Item # 66).
2. Agenda Items # 19-27
 - a. QUESTION: If a rental housing development assistance application has been submitted for each of these projects, what score each received and identify the scoring panel and date of review. If there is a performance measure associated with each project, please also provide it. MAYOR PRO TEM COLE
 - b. ANSWER: Pending
3. Agenda Item # 29 - Authorize negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 292 acres in Travis County, Texas, together with improvements, and related personal property in connection with the Grey Rock golf course and tennis facility, located off Highway 45, from THE GOLF CLUB AT CIRCLE C, LP, A TEXAS LIMITED PARTNERSHIP, and the assumption of or entering into of related management contracts, leases, permits, repair contracts and other contracts, agreements, and entitlements related to such property, for a total contract amount not to exceed \$9,600,000. Related to Items # 30 and # 31.

- a. QUESTION: In the March 6, 2014 memo from Bert Lumberras, Assistant City Manager, the final bullet point indicated "the City would issue certificates of obligation, and the debt would be paid with a combination of Golf revenue and new debt at no burden to the current tax rate." 1) Would the Golf revenue indicated in the memo be revenue generated from this course specifically or from the pool of revenue generated by all city courses? 2) Please provide a description of the flow of revenue generated by the city municipal golf courses. 3) The Golf Advisory Board meeting on February 19 included discussions on needed damage repairs at several golf courses including flood and fire damage, as well as rising utility costs and additional capital needs. Please provide description of the information provided to the Golf Advisory Board on the status of the golf courses and their needs. 4) How does the purchase of this golf course and its debt and revenue generation "play" in the context of the other city municipal golf courses, needs, operation costs and maintenance? 5) Last year's budget differentiated resident and non-resident fees for several PARD programs. Was this done for golf fees? If not, why? 6) Please describe how the tract is proposed to be managed by PARD. 7) What role would the Watershed Department have in day to day or ongoing collaborative efforts associated with this tract as it relates to environmental protections, establishing best management practices, aquifer/well data gathering, and public education opportunities? 8) Have alternative or additional uses been discussed beyond the existing golf course and tennis court? COUNCIL MEMBER MORRISON
- b. ANSWER: See attachment
- c. QUESTION: Staff has mentioned that this land is in a park deficient area. 1) Please explain what measurements are used to determine an area is deficient in parks. 2) What is the measure(s) in this area and how does it compare to measures in other areas of Austin? 3) What will be the change in the measure(s) with the acquisition of this park? COUNCIL MEMBER MORRISON
- d. ANSWER: See attachment

END OF REPORT - ATTACHMENTS TO FOLLOW

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Council Question and Answer

Related To	Item # 29 (1)	Meeting Date	March 20, 2014
Additional Answer Information			

QUESTION: In the March 6, 2014 memo from Bert Lumbreras, Assistant City Manager, the final bullet point indicated "the City would issue certificates of obligation, and the debt would be paid with a combination of Golf revenue and new debt at no burden to the current tax rate." 1) Would the Golf revenue indicated in the memo be revenue generated from this course specifically or from the pool of revenue generated by all city courses? 2) Please provide a description of the flow of revenue generated by the city municipal golf courses. 3) The Golf Advisory Board meeting on February 19 included discussions on needed damage repairs at several golf courses including flood and fire damage, as well as rising utility costs and additional capital needs. Please provide description of the information provided to the Golf Advisory Board on the status of the golf courses and their needs. 4) How does the purchase of this golf course and its debt and revenue generation "play" in the context of the other city municipal golf courses, needs, operation costs and maintenance? 5) Last year's budget differentiated resident and non-resident fees for several PARD programs. Was this done for golf fees? If not, why? 6) Please describe how the tract is proposed to be managed by PARD. 7) What role would the Watershed Department have in day to day or ongoing collaborative efforts associated with this tract as it relates to environmental protections, establishing best management practices, aquifer/well data gathering, and public education opportunities? 8) Have alternative or additional uses been discussed beyond the existing golf course and tennis court? COUNCIL MEMBER MORRISON

ANSWER 1): The revenue generated by operations at Grey Rock would be used to cover a portion of the debt issuance.

ANSWER 2): The City of Austin Golf Enterprise Fund currently operates five golf courses. In addition, the Golf Enterprise Fund has three revenue contracts in place that also contribute towards the revenue operating budget: Players food concession contracts (Lions Clay-Kizer and Morris Williams Golf Courses), Tejas Golf (driving range facility), and Butler Pitch and Putt. The Golf Enterprise Fund has a 6.8 million dollar operating budget.

ANSWER 3): The meeting updated the Advisory on the following items:

Flood Damage – There are ongoing repairs and work associated with the recent flood damage at each of the courses. The Golf maintenance construction team has made numerous repairs at Lions, Morris Williams, Jimmy Clay and Roy Kizer and will continue to make repairs over the next several months. The worst flood damage occurred at the Jimmy Clay Course where high water levels covered seven of the holes entirely and damaged the two main banks along Williamson Creek. Jimmy Clay was closed for nine days to allow for cleanup and restoration. Golf course staff re-seeded the greens with a winter over-seed and worked to level some of the voids caused by the flood in order to open for play. The winter grass will transition out of the greens in April resulting in several greens with large dead areas of grass. This loss will reduce the putting quality for golfers and will have a negative impact on rounds and revenue for this fiscal year and years to follow.

Jimmy Clay Greens - The greens at Jimmy Clay Golf Course have struggled in quality over the last three years due to nematode damage (insects that feed on the root zone) and control is limited due to a lack of approved effective treatment that does not harm the environment. The two recent floods combined with the nematode damage have made recovery of the Jimmy Clay greens unlikely. In order to ensure long lasting success of the greens and the course, the Golf Division will need to rebuild the greens. The total anticipated project cost to rebuild the greens

estimated to be 1.3 million dollars. The City does expect some funding will be made available through the FEMA (Federal Emergency Management Agency) declaration due to the recent flooding of several greens on the Jimmy Clay course. Additional funds will be needed to match the FEMA funds in order to move this project forward.

Fire Damage - The fire at the Morris Williams maintenance facility in July of 2013 was determined to be caused by a faulty charging system for the electric golf carts. Fortunately, the City carries insurance and recovery of the maintenance barn and equipment is covered by the policy. The Golf Division has since replaced most of the equipment and is working to rebuild the maintenance facility in the coming months. The cost of the replacement maintenance building, estimated to be \$550,000 will be reimbursed by the insurance provider once completed.

Rising Utility Costs – This item is related to the Water Utility Departments planned rate increase to the PARD specific reclaimed water rate. The Water Utility informed the Parks Department that the new PARD Reclaimed water rate (created in October of 2013) would need to increase each year over the next five years to bring the rate equal to all other reclaimed water users on the system, thereby eliminating the special rate for PARD and Golf. That rate increase will be 25% the first year and 128% increase over the next five years. The impact to PARD will be over \$1.4 million by 2019 and the impact to the Golf Fund would be \$100,000 in 2015 and over \$900,000 by 2019.

ANSWER 4): The purchase of Grey Rock should not adversely impact the Golf Enterprise Fund. Revenues generated by operations of the Grey Rock course should be used to pay for the debt issuance and ongoing maintenance needs of the facility. The Golf Enterprise Fund as a whole covers the operating budget through revenue generation, however it does not typically generate enough revenue to make significant improvements or new building construction. The City of Austin Golf Enterprise Fund has utilized debt issuance before. Roy Kizer Golf Course was constructed in 1994 through certificates of obligation and the General Fund has assisted with that debt. The recent improvements to Morris Williams were made with a combination of funds from mitigation projects, certificates of obligation and bond related funds.

ANSWER 5): No, the City of Austin courses do not currently charge a non-resident fee. The Golf Division and Golf Advisory have been working on a process to charge non-resident fees and the Golf Division has requested new language to the Golf Fee Schedule to allow for non-resident fees in the budget/fee schedule process for the 2015 budget year.

ANSWER 6): If this purchase is approved by City Council, the current agreement for management of the property (Touchstone Management Company) will remain in place for a period of months while the Golf Administrative offices evaluate the contract and future management of the facility.

ANSWER 7): The Parks and Recreation Department and the Watershed Protection Department have a very strong collaborative relationship on a host of projects and issues, such as the establishment of “grow zones” along creeks in City parks, implementation of the Invasive Species Management Plan, management of endangered species habitat at Barton Springs Pool, and development and implementation of capital projects for water quality protection and stream restoration on parkland. With respect to the operations of PARD golf courses, WPD staff have been collaborating with PARD since 1998 on implementation of Integrated Pest Management (IPM) practices to minimize the use of potential harmful fertilizers and chemicals. In addition, WPD and PARD co-developed Turfgrass Management System Plans in 1999 to establish science-based practices on all of the City golf courses.

With regard to the Grey Rock Golf Course, WPD staff with support from the Law Department has been actively engaged in settlement negotiations with the current owners of the property for the past several years. This is in regard to a water rights permit application that is pending before the Texas Commission on Environmental Quality (TCEQ). The effect of the requested permit will be to bring the facility into compliance with its raw water contract with LCRA and state surface water law. Over the course of our ongoing settlement discussions, WPD staff have become very familiar with the facility and its operations. It's important to note that the current owners have been very cooperative and have taken a number of actions to bring the facility into compliance with requirements of the

Barton Springs Edwards Aquifer Conservation District and the City. This includes proper closure of an abandoned well; permitting a previously unpermitted well with the BSEACD; modification of that well to isolate pumping from formations with poor water quality; adoption of a more stringent water conservation and drought contingency plan consistent with BSEACD and City of Austin requirements; adoption and implementation of an IPM plan that addresses nutrients, pesticides/herbicides, and irrigation; and installation of a state-of-the-art weather station based irrigation control system.

Going forward, PARD and WPD are developing a Memorandum of Understanding with the intent of solidifying an ongoing collaboration on the operation of the golf course in an “environmentally superior” manner. Topics to be addressed in the MOU include:

- Ongoing implementation of the aforementioned water conservation and drought contingency plans and the Integrated Pest Management Plan;
- Detailed mapping of Critical Environmental Features and expansion and improvement of buffer zones;
- Improved protection of Ireland’s Cave, one of 62 caves “protected” under the Balcones Canyonlands Permit from the U.S. Fish and Wildlife Service;
- Ongoing monitoring of both water use and water quality;
- Adaptive management to respond to any identified environmental problems and to otherwise continuously improve operations and maintenance practices; and
- Consideration of other improvements to further minimize water use, particularly groundwater pumpage, and to protect water quality.

ANSWER 8): Nothing formally has been discussed, but this acquisition would allow us to consider other amenities, such as trails. The Parks Department would want to engage the public in the area on what types of additional amenities might be desired prior to making significant changes.



Council Question and Answer

Related To	Item # 29 (2)	Meeting Date	March 20, 2014
Additional Answer Information			

QUESTION: Staff has mentioned that this land is in a park deficient area. 1) Please explain what measurements are used to determine an area is deficient in parks. 2) What is the measure(s) in this area and how does it compare to measures in other areas of Austin? 3) What will be the change in the measure(s) with the acquisition of this park?
COUNCIL MEMBER MORRISON

ANSWER 1): In 2009, the Austin City Council passed a resolution with the goal that all residents living in the urban core live within a ¼ mile of a publicly accessible and child friendly park. Council also adopted a similar ½ mile goal for residents outside the urban core.

An analysis is performed using a Geographic Information System to determine park deficiencies/gaps in park service areas around the City. The elements of the analysis include a minimum desired service area of ¼ and ½ miles, access barriers, and population density. When all factors are plotted on a map of the metro area, certain “gaps” appeared. A gap would be an area that does not have recreational service and has high population density. A gap identifies an infill opportunity, a need to acquire and develop parkland or improve existing land that is undeveloped.

ANSWER 2): This area is identified as being park deficient with a moderately high population density. Greyrock Golf Course is in an area that ranks in the top 10 areas for acquisition in the southern outer core of the city. Approximately 4,000 citizens live within ½ mile of the proposed acquisition of Grey Rock.

ANSWER 3): Should Council approve this purchase, PARD will gain 292 acres and will include an 18 hole golf course, 8 lighted tennis courts, three maintenance facilities and the golf course club house. Additionally, the tract has potential for future trail connectivity and could include other park amenities if desired by the community.