

City Council Work Session Transcript –12/09/2014

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>> cole: okay, gentlemen, mayor leffingwell is going to be late and he asked that we go ahead and get started.

I will call to order this meeting of the austin city council work session, and i believe the mayor will probably want to be present for the ae items, so we will go all the way down to item 109, which was pulled by council member spelman and i am the lead sponsor on that.

>> spelman: you have a whole lot to answer for, mayor pro tem (in english accent).

I have a question on this item, as to how it is, as i understand it, item 109 is going to do, is we spend a fair amount of money just to get a sense of where, particularly in our downtown area is noisy, somewhere that getting a choropleth map saying these are the noisy areas and these are the less noisy areas.

Did i understand that right?

>> yes, so we can go compliance monitoring, compliance monitoring and assessment.

>> spelman: i have a question about that.

>> cole: i think don hitz is here.

>> hi, i am don and the project manager and david murray.

>> spelman: do you want to tell me of what this item is going do.

>> to be more technical, we did a pilot program several months ago.

David --

>> yes, this is software and hardware used by abia monitoring jet noise.

They have an ongoing contract and they used this in a frequent festival and so this will give us a baseline.

Instead of the bass is too loud.

We can get specifics as to which frequencies are problematic in the neighborhood.

We can use it for noise mapping, as well as compliance.

>> spelman: my first reaction when thinking this through, when you are doing this with abia, the question is, do you have a jet going overhead or not.

Simple on off switch, on or off switch.

And then the next question if you are doing this downtown, what band is playing and what song are they playing?

You would think the sounds will vary moment to moment from the downtown area than they would out in the airport.

>> that's a good point.

When you use it in the festival, you can set parameters, a threshold that will trigger an audio recording -- a 15-second recording so it was specific to the sound that was being generated.

>> so this is every 15 seconds, you are checking the amount of noise?

>> no, no.

It's however you set the parameters, it sets every second and then you can do detailed reports based on a 50-second average or however you want -- it is very sophisticated software.

>> if i can add in.

Kevin johns, director of economic development.

>> you need your mic.

>> turned red -- kevin johns, director of economic development.

>> some of that -- some of your voice may have gotten stuck in your new beard, too.

[laughter]

>> yes, that's part of the strategy.

Just to kind -- just a not note on that, early in my career as a city planner, i wrote a chapter on the book "noise pollution" which wasn't evaluation of airport noise and how they addressed it.

We looked at the whole issue of music as something where sound comes from a source.

It goes on a path, and then it's in a receiving area, and so it's not just an issue for downtown.

It's really an issue for the proliferation of great music outdoors and how it affects people who live anywhere in this city.

So this is an effort to, for the first time, map city wide all of the -- all of the music and the sounds so that we can get a game plan.

>> spelman: so averaging over different bands, different -- different times of day, whatever it is, you came up with a rough cut contour map for maybe on a decibel by decibel basis for the entire city, and that's something which you could do?

>> yes, these are standalone terminals that have a battery modem and high quality microphone and we can place them in strategic locations for a 24 hour read to get an ambient level as well as levels good for crowds.

>> and so you get various levels for things like acl and sxsw and things like that, from day to day, things like that.

How fine grained is this going to get?

We talking block to block?

Neighborhood to neighborhood?

Street to street?

Hour to hour?

What kind of ...

>> we are not sure yet.

>> spelman: okay.

>> i think -- the pilot program that we used it on, it was the plethora of data that we had.

We didn't really know -- it's more data than we have been able to look at, at one time.

>> spelman: okay.

That's usually the problem is too much, not too little.

>> yes.

>> certainly we would use it during the major festivals, but also it is an annual contract so we would have these monitor stations that are ready and we could deploy them throughout the year to map geographic areas of the city.

>> spelman: very briefly, what do you think you will be able to do once you get these data?

>> it will provide us with an accurate number for the different frequency instead of throwing -- a weighted and c weighted, they accumulate, it is an accumulated number for the entire frequency band so we will be able to be more specific about the offending frequencies and be more detailed and accurate in assessing sound limitations for permits, et cetera.

>> spelman: a lot of this is which frequencies are offending and so you can go back to the source and say here it is what we need you to do in order to cure the problem downstream.

>> yes.

>> spelman: thank you.

Up missed that part.

Thank you.

>> thanks.

>> mayor pro tem.

>> cole: council member martinez.

>> martinez: i have a quick question that came up with the first question that was asked. You responded that this is software that abia uses currently for jet noises.

Why can't we use their software.

>> i inquired about it and it is a separate contract.

>> martinez: it is a separate licensing agreement we have to be part of it and since we are not we have to join through economic development program.

>> yes, we are talking about an annual contract.

Whereas abia has a multiyear contract.

>> to follow up on the question.

I think when abia's contract comes up for renewal, we can possibly add things like that to the contract.

>> martinez: up think because of traffic noises and buses and the things that continue to face, when that opportunity comes up, i would hope that staff would want to see a city wide agreement where we can use it in any instance where it comes up.

>> that's a good point.

This almost demands a longitudinal study, something over a long period of time to find out what is done, the depth of the issue, and what are the challenges and how you can control the sound both from the receiving area, which is the problem area, as well as the source, which is the area you control it at.

>> martinez: great.

Thank you.

>> morrison: mayor pro tem.

>> cole: council member morrison.

>> morrison: thanks, i appreciate this tommying forward, mayor pro tem.

I want to make a couple of comments.

One, when you did the pilot program, there was a website where you go to actually watch the levels as they -- as they were measured.

Is that going to be parent of this, also?

>> if that's the component of the software.

>> morrison: is that publically available?

>> i don't know how -- we talked to the vendor about it being public access and i think it can be to.

A limited public access, but the reports it comes from, it can be public.

>> morrison: so for people who didn't really have a life, we can get online and watch the noise levels, the sound levels change over the concert?

[laughter].

>> yes, ma'am.

>> morrison: and it's also my understanding that for the pilot program, you all were able to -- the monitors were actually put on the boundaries or bearing near the boundaries, not necessarily scattered throughout the city and that you were able to then sort of correlate the complaints with the levels that were coming in at the time the complaints came in.

>> that's correct.

>> so it is sort of -- it can be a realtime management as well as a sort of afterwards understanding what was going on when the complaints started coming in, and it is a really rich and we know the components -- like we learned from acl and we learned before that the weather affects how sound travels.

>> that's right.

So you may set the sound up and the festival up with certain speakers expecting that to be optimal but when the clouds come in or something like that, things can change and you can be measuring it, instead of having lots of complaints and grumpy people.

>> worth noting, the software also has a weather component.

You can monitor wind direction and temperature and those other factors.

>> morrison: right.

And i did want to mention -- we did have some extraordinary traveling of sound during acl and i want to thank the staff as well as the c3 folks who sat down and talked about how we can be more proactive.

One of the things that came up in the discussion is the type of music has a lot to do with it, because the type of music has to do with the c weighting which is the bass which travels the most, so it's interesting you get in sort of a trend toward music that might be more challenging to manage.

So i think we are up against a lot of parameters.

I don't know what you all think but i think we made a lot of progress over the years, in terms of being able to be more sophisticated about our sound management.

So i thank you all for that.

>> thank you.

>> cole: okay.

I want to thank you for bringing this forward and the work that you have done on it and especially the work that you did, reaching out to the community and taking in their feedback. Ever since i have been on council, the noise issue has been a paramount one so thank you for your work.

>> thank you.

>> cole: council member spelman, since council member martinez and our entire health and human services committee is here, let's go to item 114.

>> spelman: before we go to 114, i have an objection -- one thing that happened the past five years -- i sit in the chair and some things happen and some don't and we think we are the cause of what happens and we sometimes think we are sitting here when it happened and it would have happened without us.

One of the things that happened since i was here is we no longer have an absolute mathematical ratio to base the number of police officers in the next year's budget.

We, for years, had a -- i don't know whether it was a formal or informal rule but somehow it was an absolute rule which never deviated, that we are going to have 2.0.

Sworn police officers with the population and the budget and since then we had 2.0 per 1,000 population.

And last year we had a little more than that but more importantly, nobody talked about that change in population, nobody talked about the ratio.

It was off the table and the justification of the number of officers we had which is exactly what we needed to be, which is what is the workload of the police department and what are we going to have the officers do.

I was happy we stopped doing a ratio and stopped doing mathematical method and we started making our decisions where we should have made them all along, which is where do we need to put our scarce cash or where do we need to allocate our scarce resources.

And maybe the council member of the item can tell me i am reading this wrong but it looks like it is going back to a mathematical ratio.

It is increasing a different part of our budget, not police officer budget but with a population on the absolute basis and it is increasing the amount of money spent with inflation on an absolute basis.

And this concerns me.

Because it means just as the police budget sapped up more and more of our resources and because we sapped those resources up from the very beginning, it left very little for all of our other departments to work with, it made our fiscal year '10 and '11 budgets difficult to balance because we had to lose a lot of resources in the general departments in the -- we had to lose a lot in the departments with the general fund because of the mathematical procedure.

It seems the opportunity when we put in place a mathematical device, to do the real job as council members which is to balance all of the things we need to balance among all of the needs of our citizenry and i am concerned even something which is absolutely as important as health and human services should not be able to be divorced from the requirement that they need to between business need and workload.

Convince me i am wrong.

>> cole: council member martinez.

>> martinez: you are 100% correct.

But there is a method to the madness.

In our research, we find we are woefully short in our investments in social service, and so in order to have an aspirational goal of trying to meet that demand -- which is double -- almost double what we currently invest.

We are short \$15 million based on work we have done with the local nonprofits and based on the demand that already exists out there.

So when we sat down and when staff sat down -- there are other factors involved as well as population growth and gdp, but it was hard to come up with a definition for things like "need." so if you are a mom with two kids and you are getting supplemental assistance for housing, you need that assistance so that you can take care of your family.

If you are a homeless person and you need a place to stay overnight, you need the place to stay.

Which one is a higher priority?

And it is hard to determine and create a definition for "need."

And things like -- we struggle with this every time we do the social service contracting.

This year we had the life continuum and we had the different silos of the areas of impact.

The last time around we had basic needs as the highest priority but who determines -- how can you determine what is a basic need?

Most folks would argue that every one of their needs are basic if you are living below the federal -- to the federal poverty line.

We did tie it to the indexes.

Even without the indexes, with, we won't live with that \$15 million and each and every year council still has complete authority to amend, add to, or subtract based on other factors other than these indexes that we have put in place.

To change the funding as need and demand changes as well.

We just wanted to tie it to something -- we wanted future councils to know that you are not meeting your goal and so until we hit that point to where we've determined today is -- is the demand for services, let's put an index in place that says each and every budget year, the city manager has to look at this from the perspective of, are we reaching our goals and are we covering the need and that's why we ended up on the indexes that you cited.

>> i am extremely sympathetic that we need to spend a lot more on social services than we do. And you guys have looked at it more closely than i have and if you think it's \$15 million, that seems like a reasonable number to me.

Moving in that direction strikes me as a reasonable thing to do.

My concern is even if the future council could -- has the authority to unmake that rule of thumb that we put in place, we know from previous experience that councils tend not to do that.

We could have unmade that 2.0 per 1 per thousand rule each and every decade and we didn't do it.

We finally got it out of our system last year.

I am concerned aboutt putting another such rule into our budgetary decision making, with a track record that we have which is difficult for us to make decisions regarding that.

>> martinez: i understand.

What we know about public safety and what we know intuitively and from direct examples, when we aren't funding social service agencies and when we aren't providing the basic need, they are calling 9-1-1.

And it is costing taxpayers four and five times it would cost if we had the appropriate investment in social services.

>> spelman: i agree in the increase in health and human services but i think i disagree with the instrument but maybe it is something we can talk about.

>> morrison: mayor pro tem.

>> cole: council member morrison.

>> morrison: i want to mention a couple of things.

One, two things going on, one is you mentioned the cpi that is tied to the increase of our current contracts.

We have very long contracts that we all actually approved at our last meeting and they are going to be up to five years, i believe -- and what we found looking at the last contracts is the folks that got those contracts three years ago, their demands had gone up extraordinarily and the -- and if amount of the contracts was fixed.

It wasn't even keeping one the inflation, and so the one element of this resolution says to at least keep the current contracts up with inflation over the 3-5 year period.

In fact that's what we ended up taking as sort of a rule of thumb nor -- in our recommendation that we approved last time, and that was, let's add 10% to the contracts we gave out 3 years ago if they are still performing, just so they could keep up with it.

Then the second thing i wanted to mention is i -- probably one of the whereases that caught your eye is that it says that the -- establishing a metric is consistent with the apd practice of maintaining a minimum of 2.0 and your point is --

>> i did notice that.

>> and your point is we weren't doing that anymore.

>> no.

>> morrison: and maybe we can make the past tense and make the small modifications and say it's consistent with what we used to do it and then throw it out.

And that would be more accurate.

We don't have to say we threw it out but it could be more accurate.

The other thing i want to suggest -- and i will talk to the main sponsor on this, the cosponsor, this is a way to get on par, and a way to get it there and provide guidance.

What we could do, five years down the road, ten years down the road, when we reach that is reevaluate it and see how we are going.

I just throw that out there as something that could help assuage your concern that we get on autopilot and never look back until ten years from now some council member says what the heck are we doing.

>> spelman: mayor pro tem.

>> cole: council member spelman.

>> spelman: i like a period look-back.

I think we can do it on annual basis but i see in a time period you are looking at a five year time horizon, then a longer time horizon would be appropriate.

If you have no -- whether you have no objection or not, one thing to look on the resolution is an opportunity to formalize the look-back period lynn and see if that is something whether or not we can do on a shorter time period than maybe a ten year period to be sure that we are continuing on track and ensure our need for social services has not changed.

Perhaps it's gone up.

Perhaps it's gone down.

This is the thing we are evaluating for reliable basis and i feel strongly the council's decision making ought to be responding to the size of the problem.

>> morrison: right.

>> cole: council member martinez, did you have a reply to that?

I guess it's important because we have such a long meeting that we get a sense of what amendments are coming and whether we are comfortable with the fact they are coming.

>> martinez: i would be more than happy to implement language that calls for a periodic look-back.

I still -- even without that language, i still believe each and every council every year during the budget process has an obligation to make an amendment and contractual amendment as well.

>> spelman: contractual amendment, i defer to what our contracts actually read.

I agree we have that authority.

I also agree that we do not exercise that authority.

>> martinez: it's true.

It does put something in place that gives the other side the ability to stand before us and say, hey, you signed a five year deal with us.

Don't undo it.

>> spelman: yeah.

>> martinez: i look at this fundamentally different than any other service that we provide.

These are the most needy in our community and we aren't close to scratching the surface of meeting that demand.

I find it hard to believe that we will get to a point where -- i take your point very well -- that we may be hiring too many officers based on an arbitrary policy, i don't think we are going to get to that point where we are paying too much for social services, where it's not needed.

>> spelman: on the other hand, we are paying what we have for social services and we have had many years trying to walk a fine line between parks, public safety, libraries, watershed protection and social services, and this is where we have come out after years of trying to come up with a proper balance.

I understand trying to strike a different balance, and as i said a few moments ago, i think i agree with where it is you want to go but i think i disagree with the instrument but a look-back might help me come to terms with that.

>> morrison: mayor pro tem.

>> cole: council member morrison -- let's finish this and i will turn it over to mayor leffingwell.

>> morrison: i want to acknowledge your point of getting as many things settled beforehand and it might be best if the sponsor could -- if we could work together to get something posted and back up so hopefully it will go on consent.

>> cole: i am very supportive of this item.

I think we will be known as the social service council because of all of our work in affordable housing and health and human services.

Mayor leffingwell, we did not start with austin energy, because we were waiting for you and we didn't want to take up the innovation zone or any of those items.

We have done 109 and 114.

>> mayor leffingwell: okay.

How about item number 10, pulled by council member spelman.

>> spelman: i promise to relinquish the mic as soon as possible.

There has been a lot of conversation about the generation plan over the last week and i know there has been a lot of conversation between austin energy and some representatives of the environmental community, in the all representatives of the environmental community and of course austin energy does not represent all of the customer base but that two-party conversation, i think, has been very productive and it's my understanding that they largely have come to a conclusion that both sides could live with.

And, mayor, i would like to verify that right now.

I think it would help set the stage for a faster conversation on thursday.

>> mayor leffingwell: do we have people from austin energy here to.

>> spelman: actually, mayor, with your indulgence cyrus reed --

>> cole: how about smitty.

>> cyrus is in san antonio at a city council meeting there on building codes.

>> spelman: okay.

I am sure he is doing really good work.

Khalil, i am going to ask you to not just state your own position but particularly the position of people that have been expressing from those at the sierra club but from your point of view what is the state of the situation?

>> khalil shalabi for austin energy.

We have been in talks and had several conversations about this independent study mostly and i think as of last night, we've reached a point where we are both happy with what is written down moving forward.

>> spelman: tell me what is written down.

>> okay.

Essentially it is a document that talks about what the scope of the study is, what the timeline would be, how it would be -- how a consultant would be selected, what the procurement process is, and, also, what the approval process will be, which doesn't deviate much from what we do right now.

So i can go into any one of those facets if you have questions on them.

>> spelman: i will defer the rest of the council on most of these issues but first it seemed the independent study was the biggest sticking point in the negotiations up to this point.

I am happy to hear it sounds like you guys have a meeting of the minds.

Just in scoping it out in my own head, if i were cyrus and negotiating with you, the plea mare issue would be on the scope of work.

If we can come up with primary issue of what the scope of work would be, then it seems like a large part of this would fall in place.

Tell me more about the scope of work agreement.

>> the scope of work is pretty much divided in three parts.

One is -- so there is one part divided in two parts which is focused on the plant itself that we are proposing and that's the cost and the benefits.

So, you know, the cost is fairly straightforward.

As we proceed with planning, for if plant, we know more about the cost.

We use more generic numbers when we use resource planning so we would have more consultants available to us and we would have a better idea of what we think this would cost if we were to cite it on the surface territory and on the benefits side we would look comprehensively what the benefits of the plant are.

That would be the revenues of the plant would produce.

What we could the price -- we call it price oppression type benefits in our load zone and environmental benefits, pollutants and then co2 and what the change in co2 would be from decker.

The last scope of work would be a scenario that would not involve the plant and that's so we would replace decker with sort of a portfolio of renewables and storage and just to see that what that could -- see what that could would be.

>> spelman: so plant, cost and benefits, best you can tell.

Nonplant, best alternative or whatever best alternatives you can and whatever the cost and benefits of that is going to be?

>> correct.

>> spelman: it seems the second half of it is the new part added to the scope of work.

I can understand how something which the environmentalists which you have been talking about would very much like to see that.

>> right.

>> spelman: let me back off on the mic and see if anybody else has any questions of you.

>> mayor leffingwell: i just have a couple of comments, i guess.

First of all, i am kind of mixed on this one because i see it a vast improvement over what we are calling the 157 plan, so it's definitely an improvement, but i am still concerned, as we talked about in the committee meeting last week, about meeting our affordability goals, and i think there is some concern out there that we are not.

We are not meeting the under 50% goal.

I have just heard that notice has gone out to fuel charge increase, major industrial customers will be more than double our 2% goal.

So i am very concerned about how -- how this is -- how this is going to affect our affordability goal and how can we continue to make these.

>>>s in capital investments when we can't meet our affordability goal.

It was my understanding when we passed this, this would be sort of a governor on this entire process.

Apparently we went through this the last budget -- and some the last budget and we basically had to throttle back to get under that 2%, do some, for want of a better term, some accounting gimmickry to get there.

Now we are embarking on more processes that may exacerbate that violation of our affordability goal which to me is a covenant with our ratepayers.

>> i think that's something we agree from last week's discussion, that we are going to get more insight into that coming the next few months so simultaneous of returning this study which helps us -- running this study which helps us evaluate that will help us both support the moving forward of the resource plan and also the affordability aspects so i do view them somewhat complementary of the objectives that we have of moving forward, in maintaining the source of revenue as we discussed in the past, also helps the commissioners and helps austin energy maintain the affordability goals so having dispatch resources is important to that.

>> mayor leffingwell: we really don't know where we are until a study is completed.

Now, i understand, as we go forward, this is a plan and these are all goals.

We could all throttle back after the effect.

So that's why i am torn to accept a new policy that is better than what we have in place right now to try to help us get past this, but with the understanding that it looks like right now even with this new policy, we aren't going to be able to do it.

We are going ahead with a plan that we already know is in violation of our affordability goals.

>> and also in the past we have worked where we had big capital measures and faced cost issues to maintain our cost and that will put this type of pressure back on us as well to look as we plan the future budgets with more knowledge of what the real cost is of this plan will be good guidance to us to look at.

Are there still things we can do internally?

And i know that's a conversation we often have with only of our largest customers is really looking at, are we taking advantage of all of the other efficiencies that help us afford these big investments we make from time to time.

>> mayor leffingwell: i fear that this puts austin energy in a position of challenges to its viabilities to its existence in the years ahead.

That's my big concern.

So i am going to have to do some more thinking -- and i would like any information that you are able to provide about where we are right now on affordability before we vote on this on thursday.

Council member tovo.

>> tovo: i have a clarification.

The mayor mentioned the fuel charge going up for industrial -- for large industrials.

Is that a result of the special contracts going away and that was what we did during the rate case.

>> mayor leffingwell: no.

>> it is similar to what we did during the psa adjustments, very similar drivers but perhaps i will let them tell differences between the two.

>> yes, the fac is the industrial customer's version of the psa.

It had the same effect.

The psa went up mostly because of gas prices going up.

To remind you it is a backward looking charge.

A lot of people say, well, gas prices are going down in the future but it's not relevant to the fuel charge, so the psa went up about 6 and a percent and change.

The fuel charge went up a little bit more, about 8.9%.

The reason for that -- and we looked into that pretty carefully -- is timing, really.

We have been under recovering because the past fuel charge, based on last year's -- two years prior, gas prices, right, and that was lower, so we have been uncovering from our industrial customers for three more months than we did for our residential and commercial customers. That's why their bump up was even more, but it's -- i think i would look at the fac change a lot like the sessions that we had with you on the psa.

>> tovo: thank you for that clarification.

I appreciate it.

>> mayor leffingwell: isn't it also true that there are a lot of other things embedded in the fuel charge besides natural gas and coal?

Isn't it true that a lot of renewable energy projects are embedded in that as well?

>> that's true, and those are, you know -- those older contracts do cost us money in the fuel charge and in the psa.

But the reason it went up was almost purely because of market prices and gas prices.

>> mayor leffingwell: what is the alternative to not -- not violating the affordability goal?

>> as cheryl said, having a physical hedge where we can control the loads on prices and have more revenue towards the psa and the fuel charge and, also, our hedging -- our financial hedging program also provides some stability.

Knowing the more stable the price is, the more you will pay for the hedging program.

So it's kind of a balance that we wear at austin energy.

>> cole: mayor.

>> mayor leffingwell: i would just say that we've gotten ourselves in a very bad position -- austin energy has.

I am certainly not blaming staff.

I think it's because of council policies that have been adopted in the past over a number of years.

And we are beginning to attract a lot of anticipation for that and i am very concerned about that.

Council member spelman.

>> spelman: one of the great benefits of this -- of this study that we started off talking about a few minutes ago, is it helps everybody understand what is going to keep us inside of that 2% per year bottom half of prices in the state area where we want to stay and there is a disagreement now, among some folks as to whether or not we build a gas plant north to stay in that -- gas plant in order to stay in that part of the world to keep our prices low and i think this will help to clear up that disagreement one way or another.

I have another question, if i can, khalil.

You mentioned scope of work is broader than perhaps the scope of work you perhaps might have envisioned on doing on your own a few months ago.

You also mentioned that there were some possibility of selecting the contractor for this in somewhat different ways than we usually do.

And why don't you go on about that?

>> i think we have settled on maintaining the procurement process that the city has.

It's tried and true and, you know, we thought that just deviating from that would get us into trouble.

We do look to the euc to review this, you know, before we issue the r.f.p.

But that's something within their purview and they can ask to review the scope before we issue the r.f.p. Under current rules.

So we look for their input.

It is a comprehensive study.

I can't imagine, you know, that it won't satisfy our need to look at this plant and see if it's a good investment or not.

>> spelman: am i right, assuming this would will go out at rfq, not as rfp, it wouldn't be a hard bid.

So the decision would be based on a matrix of contact sticks of proposals being brought forward and the people who are putting those proposals?

>> that's correct.

>> which means the entire matrix with interview results if you take interviews would go to the council and the council would actually make the final decision on the basis of that matrix, what it is you have to say and what the eoc and other folks have to say about the contractor on balance and add value to all of this?

>> yes and i would like to add one thing we did that i think is good for austin energy and the stakeholders.

We will have the office of the cfo manage the study and not my group and that will give us a little bit of distance away -- because we did the original study and our new cfo has a lot of experience doing studying like this and that will give us a little bit of demonstration within austin energy.

>> spelman: austin energy continues to manage the project, i am not sure a legal requirement but practical view, it is the best way to do it but it wouldn't be done by you guys who have a vested interest on whatever the result would be.

>> yes.

>> it would be done by the cfo who has the vested interest in keeping our prices as low as possible.

>> correct.

>> spelman: thank you, khalil.

>> cole: i have a question.

>> mayor leffingwell: mayor pro tem.

>> cole: you talked about meeting with the stakeholders and the environmental groups.

I want to know if there was an amendment to the discussion to look forward to on thursday or is there going to be anything in backup or anything we need to know about?

>> we are a little bit unclear on what process to use.

They have essentially a document from us that talks about what the scope and the process the going to be.

If we want to add it to backup, we can do that, you know, or -- as an amendment, which ever way make, council comfortable.

>> cole: i think it will be very helpful if we get the amendments added to backup so that we could see them before thursday and have some sense of where we are going.

>> okay.

We can do that.

>> morrison: mayor.

>> mayor leffingwell: council member morrison.

>> morrison: thank you.

I wanted to go back to how we are going to manage to make sure that we come out on the end of this study with everybody agreeing that it was fully vetted, independent study.

One question is: do you expect that the contract for the study will be above the city manager's approval level?

So, in fact, we would be assured that it would come to council for approval?

>> i would assume it would be, yes.

A study like this would be over the threshold.

We would -- due to the sensitivity of the study, we are going to bring it anyway.

>> morrison: that's part of what your plan is?

>> correct.

>> morrison: my second question is -- i had personal experience with this on the local advisory committee report and i think there have been other situations where, at the end of a study, there is a lot of disagreement about what the -- about the outcomes and we have had to delve into what the assumptions were to help us understand the different assessments.

For instance, with the local solar advisory, i think we actually have to hire an independent person to come tell us what the different assumptions that were being used.

How can we make sure we aren't getting into that situation this time?

It is a tight timeline.

It seems like we have learned enough to know that we don't want to go there.

So how can we make sure that we -- that we end up with something that everybody is comfortable with the process that got us there?

>> those are good points, and i think we should match up the assumptions from the get go.

So we would provide assumptions like forward gas curves, the price of carbon that we used.

All of these inputs that we would use for doing a study lie take that.

So they would use those inputs we are using, just to match what the outputs would be.

But i have been involved with a lot of these dueling studies over my career, and you are never going to match up the outputs.

We have to be smart about what comes out of the study and does it directionally say the same thing as the resource plan says?

If it directionally says we need to have power plants in our load zone in order to maintain the health of the utility but it's the -- the benefit is 300 million, not 500 million, then we need to look at that as, you know, a good study that validated our study, because you will never match up and --

>> morrison: i understand that -- [multiple voices]

>> you can spend months trying to match up studies.

>> morrison: right.

But, if on the other hand, if there are vastly different assumptions -- assumptions are one thing and then outcomes are the outcomes.

Will the assumptions be part of the scope?

Will there be transparency in what assumptions we are going forward with?

>> all of the assumptions you would use are already posted online so these are already public. The gas prices we use.

And we would turn over those kind of spreadsheets, you know, the fidelity that would be there for the consultant.

We would see that since they would be hired by austin energy and we would have confidentiality agreements with them.

>> to add on to that if part of the concern is what austin energy used, are those the best assumptions?

That would be the dialogue early on with the selected consultant to present to us what they believe the assumptions are.

We can contrast those to ours and where there is differences, then, yes, we would work with that to make sure we are on the same page of what assumptions we would use going forward and i think that is a piece we could review and share at a future council meeting in austin energy or with the eeoc and so before the work is done, we are comfortable with the numbers bringing in the expertise from the consultants and identifying any a gaps that they see compared to what austin energy staff saw.

>> morrison: so they would have the arguments in advance.

>> yes.

>> morrison: instead of after.

>> right.

>> morrison: it sounds like improvement.

>> we want the benefit of their knowledge because we will be paying them to perform this study.

>> morrison: that will be part of the scope.

>> yes.

>> morrison: to actually evaluate that.

>> spelman: council member if i might.

>> morrison: please.

>> spelman: and what may end up the same thing and end up in the same place, if there is an argument about the assumption, the fact that despite people disagree with the stall, doesn't matter, leads you to the same conclusion.

>> that's right.

>> spelman: which in my world we do sensitivity analysis and you look at whether the sensitivity is different from the changes in the assumptions?

>> yes, because which have done those, too, so with the advice of bringing in constituents we want to make sure we are all within the same bands.

>> yes, and if it is within the scope of work i'd like to see it and i think it may go a long way of assuaging other people's concerns that aren't in the study.

Well, they are showing in the study and sometimes that particular assumption doesn't matter or it does.

>> and sometimes the first assumption -- the deliverable before offering on the study, the assumptions they would present to khalil staff and the mark staff to make sure we are in the direction we are headed.

>> spelman: sounds goods.

>> tovo: mayor.

>> mayor leffingwell: council member tovo.

>> tovo: i wonder if you can address the timeline for some of these [indiscernible].
For example, when you would you anticipate going to euc about talking about scope and then the contract for review?

Would there be a stopping place in review?

Would you present the scope to the council subcommittee first before going out and doing an rfp?

>> i don't have that timeline worked out.

The only two deadlines we put in there is to have the draft report ready on may 29, 2015 and the next one june 27, 2015.

And we can offer on timeline section more clarity in terms of steps that we can bring forward to the council committee, the euc.

>> tovo: i think it is interesting to hear that there will be stopping points before you take out -- did you say rfq or r.f.p.?

>> it will be r.f.p. For consultant.

>> tovo: so i want assurance that you will be going to the euc first to talk about scope and then even possible the ae subcommittee before you go out for that r.f.p.?

>> we can certainly build those in the timeline and it will be part of the amendment that we will post.

>> tovo: that will be super.

I have heard concerns about the speed of the timeline.

I think they are valid concerns.

It is a pretty fast turn and time, especially given the major transition to come with regard to the council, so i guess what is your need to do that as quickly as you have proposed.

>> so the plan that we have proposed is time sensitive in nature, right, so one of the -- the biggest deadlines we have in the plan is the ability to shut down fayette early, and that is contingent on us being able to transfer cash into a cash account per budget every year, and as we showed in our scenarios, that's contingent on the plant being built.

So if this study, for example, takes a year, then we wouldn't have, you know, the comfort to transfer that cash into the account in order to retire fayette and that would push -- it's only two years from what we committed to so it would delay another year.

I don't think it is aggressive for a study like this, six months.

We did the resource plan in nine months with all of our stakeholders.

So we should be able to get this done comfortably.

If we find ourselves short we can come back for guidance from council to extend the deadline.

>> tovo: i have a question.

What kind of -- do you have a sense of, at this point of what the -- what the financial commitment would be if austin energy moved forward with building a new gas plant?

>> a time line or overall?

>> tovo: overall dollar amount or also the timeline from beginning to --

>> right.

>> [indiscernible]

>> tovo: to commit.

[multiple voices]

>> it is a 500 million-dollar investment nominally until we hire consultants.

It's different than that.

It could be less, it could be more, depending on the site and then within the first year, most of the procurements will be in the nature of studies, owner-engineer contracts, constituents to get the right environmental type permitting and studies.

It will be in that nature, low-dollar amounts.

At some point we have to make procurement for large scale items or they will not allow us to build a plant.

>> a plant like this will take a minimum of three years for somebody not going through our process but for us it would be a three to four year process so i am looking at people to look at the pre-engineering opportunity and the permitting and the siting things is critical to the timeline and the total package that we have laid out in this resource plan because it is a very connected package.

Remember we have to have some source of revenues to facilitate adding to the cash reserves to enable the fayette power plant opportunities to be looked at early as well as to have some revenues and some timelines driving some of the r.f.p.s for renewables as well as we look at the tax benefits that currently exist out there, but it is a very packaged opportunity as we have reported, as we have looked at this resource plan proposal that's been discussed for several months.

It's taking out pieces of it -- because taking out pieces of it isn't necessary going to make it work anymore.

>> tovo: so with regard to the question of the commitment of the financial investment, it seems like the first year is less of one and then you get into the real dollars, beginning year two?

>> that's right.

>> tovo: or regular dollars in year two?

>> that's right.

>> tovo: are they primarily two and 3, how does \$500 million breakdown in three or four years?

>> the majority of that would be spent in the last 2-3 years.

Initially we will be doing the procurement of engineering support services for the various site development, environmental permitting, all of these things, but within about a year of that, as we move forward and starting getting our hands around the technologies, choices that we would make, we would then begin either bringing forward the delivery method for the plant, whether that's going to be a design build or whether that's going to be us procuring and then going out for the engineering services and construction services, we would be looking to have those types of discussions probably within 12-15 months.

So we have got some time --

>> tovo: depending on of course what the study reveals.

>> that's right.

>> tovo: if it reveals ...

>> that's right.

That's why we are trying to move forward to make this decision right because their plan may look very different if we can't support and validate what khalil has looked through.

>> tovo: how does this timing fit with any potential upcoming rate cases?

Particularly, with, say, a test year?

>> i think the information will be different from the adjustment to rate in the 2016 window, so there won't be significant investments made here during that time frame.

What there is renewable contracts for new resources or whether it's that plant, those things won't be up and running as we are having the discussion.

They will be future expenses.

>> tovo: thank you.

And i want to thank you for all of the work that you have done for the community stakeholders on this.

>> riley: mayor.

>> mayor leffingwell: council member riley.

>> riley: just to follow up a little bit on that timeline.

Does the clocker start ticking for the procurement of the plan upon approval of the plan or upon completion of the study?

>> what they did spell out in this study, scope of work are things that would allow to go parallel and things that wouldn't.

We would spell those out.

And essentially they boil down to the things that don't cost us a whole lot of money but keep the plan moving forward.

So if you look at the plan itself, those five things -- we looked at the five things and said, what are the things we should be doing right away but wouldn't be a major dollar investment.

From the plan, we said, for example, wasn't to get owner engineer contract on board that wouldn't be a big dollar contract, but we wouldn't -- until the study was done, we wouldn't invest any major dollars in the plant.

The same thing with the r.f.p. For renewables.

So we would issue the r.f.p. For renewables while the study is going on parallel but we would not commit and sign a contract knowing that this study is still in flux.

I think by doing that approach, we will meet the deadlines -- the goals we have put out in this plan.

>> riley: the reason you wouldn't want to incur significant expense on the plant is there is some possibility that an independent study would come back and challenge some of the assumptions that went into the study.

And just to be clear to be that, when you -- when we say that assumptions will be part of the scope of work, we are leaving open the possibility that renewables or some other form of energy could actually be determined to be a preferable path for us to pursue?

>> right.

So there is within the scope of work.

[stop ab, 9:57].

>> right.

So within the scope of work, we're going to look at another scenario that replaces decker with a mixture of renewables and storage to get sort of a dispatchability to the renewables, and we'll see how that fares.

>> riley: okay.

Towards the end of the revised study yeah.

>> martinez: i just had a question.

On that last point you just made, are you saying you will go out with an rfp for storage before triggering a gas plant?

>> an rfp for the solar.

>> martinez: i thought you said storage.

>> no, i said the study would consider a portfolio for renewables and storage to replace decker as an alternative.

>> martinez: i see.

So, renewables and storage.

>> for the alternative, correct.

And demand response.

>> riley: i just have one last question.

Towards the end of the revised document we got yesterday, there is a section about natural gas.

And it has a paragraph 11 saying the utility will continually assess the long term risk of natural gas price fluctuations, paragraph 15 says will conduct an analysis of the use of water by austin energy's facilities and its impact on the community.

To what extent do you foresee our work on those matters being available for consideration at the time, either in the course of the study, or upon the completion of the study?

>> so, those additional requirements in the plan are things that we committed to do in an ongoing nature, prudent things any utility would do.

We look at gas prices on a daily basis, and what are they going to be today, tomorrow, next week, all the way through next year, the forward curves.

The team that produced the resource plan also supports our trading group on a daily basis. They work together, so we model the market tomorrow in our model, and that helps our trading group figure out what to do.

We're always looking at gas prices.

We have a gas trading desk.

>> riley: what about the last item, conduct an analysis of the use of water by the generation facilities?

Do you have a timeline for that?

>> we did that in the resource plan.

Every scenario had a water usage column.

Also, it's part of the scope of work for this independent study to see i mean, there should be a net reduction in water usage with the new plant.

We'll quantify that within the study.

>> riley: okay, thanks.

>> mayor leffingwell: okay, we'll go to item 50.

Councilmember morrison.

>> morrison: this is the item for a reading on source of income.

On third reading.

And on second reading, we had the austin tenants council representative kathy stark come and mention, have a little discussion about the exemption that had been added.

We have a split vote on adding that exemption.

And what she mentioned to us was that there is a state exemption that aligns with the federal exemption that may be a bit narrower than the one that was adopted.

She suggested it may be beneficial to have consistency in our exemptions.

I'm going to ask staff to explain all of that in a minute.

If i could pass this out, what i've done is i've put together a little package that shows what we've got in our current draft, as well as the texas property code subchapter c, which is the exemption.

And i wanted to let you all basically, i just wanted to raise this.

I'm sort of agnostic.

I think that there are good reasons to, maybe, adopt what we already have.

I did also want to share that i reached out to mandy demayo about it and asked her, because i think it may have been her recommendation we adopted in the first place.

And she emailed me back on the 11th of november and said that the policy committee at housing works had a chance to discuss it, and she thinks the consensus is that consistency among federal, state, and local language is certainly beneficial.

And that it may be more efficient from the perspective of enforcement.

So, i wanted to make sure that we all understood the options that we had on the table, and maybe have some discussion about whether anyone's interested in making an amendment to our draft.

So, could i and i know that our legal department has had a chance to look at it, and weighed in at least in an email to me.

I wonder if i could ask you all to just walk through the differences briefly, and give us your thoughts.

>> good morning, mayor, mayor pro tem, council, and city manager.

I'm jonathan babiak, division manager of the equal employment fair housing office.

Federal and state coverage from visions are almost provisions are almost identical.

In the vast majority of the actual cases that we see, these sort of technical issues don't arise because the respondent is almost always a conventional, large apartment complex.

In addition, the provisions in the the existing provisions in city code are almost identical to both state and federal law.

The technical differences don't arise in the vast majority of the cases that we see.

>> morrison: okay, thanks.

I wonder if you could comment, i got an email mentioned in 5 1 14 already existing in our code, that they align with the state law.

And so that if we actually took our exemption out that we added to source of income, that we would that would prevail.

Is that correct?

>> correct.

If council does not pass the proposed exemptions in 5 1 19, then 5 1 14 would control.

>> morrison: so we would have, basically, the state exemption.

>> correct.

In our code, in addition to the federal classes, the city protects additional classes.

The exemptions in 5 1 14 apply to the additional classes the city protects as well.

>> morrison: could you give us a brief summary of what's in the

>> excuse me, mayor.

Councilmember morrison, i'm looking for 5 1 14.

>> morrison: it's in the code.

I'm sorry, i didn't print it out.

>> cole: okay, i just want to make sure i have it.

>> morrison: but it is the same.

Is it the same as subchapter c in the state law?

Because that's what i was understanding, and you do have subchapter c.

>> cole: okay.

>> there's a one or two word difference, but, semantically, yes, they're the same.

>> morrison: can you explain the differences or give a summary between the two so we know what we're talking about?

>> the difference between 19 and 14?

>> morrison: no, yes.

Yes.

Well, not so much the difference as a summary of 14 and a summary of 19.

>> okay, the summary of 14 is if an individual owns no more than three single family homes at one time, and don't meet some additional criteria, don't use a broker or real estate agent, don't advertise, and a couple of other requirements, then they're not subject to the federal fair housing act, except i'm sorry, the state fair housing act.

Or even at the federal level, or at our city code.

They're not subject to it except for the discriminatory statements.

The second exemption in 5 1 14 that also appears in federal and state law is that if somebody owns a dwelling that contains no more than four units, and that person occupied one of the units it's essentially an owner occupied property people call it the mrs. Murphy exception, you may have heard.

>> morrison: i won't ask who mrs. Murphy is.

>> nobody knows.

But, those are the two exemptions in 14.

19 would actually exempt someone who owns less than five.

So and it actually is not limited to just a single family home.

So, the 5 1 14 is limited to single family homes or the owner occupied property.

19 would not be that way, just a general five rental dwelling units.

>> morrison: thank you.

Really, i wanted to make sure my colleagues had this information and contemplated.

I don't i haven't had my head deeply into this item, so i don't intend to make an amendment, but if somebody did propose one, i would certainly support it.

>> mayor leffingwell: councilmember spelman.

>> spelman: i appreciate you bringing this to our attention, councilmember morrison.

I just want to make sure i understand the implication.

If we repeal 19, the applicability of source of income before us, 5 1 14 would be controlling, and we would get a swap out of, instead of five rental dwellings, we would have three single family houses at any one time would be the controlling exemption, am i right?

>> yes, in addition to the owner occupied property.

>> spelman: yes, which i think we had in mind doing all along.

So, a simple fix for this would be just take out 5 1 19 and we're done.

>> morrison: right.

>> spelman: councilmember morrison, even though you may not be willing to bring that one forward, i would be happy to.

>> morrison: you used the word repeal.

We haven't implemented it yet.

>> spelman, of course, redact it from the third reading.

>> cole: the rationale behind doing it is to make it more enforceable.

>> spelman: i would imagine it would be much easier to enforce this if all parts of, all the exemptions were the same.

>> cole: and we can expect that done and back up on before thursday?

Or we've got to do that on the dais?

>> spelman: we have to do it on the dais, but, i think we can do it rather quickly.

>> mayor leffingwell: item 106, pulled by councilmember morrison.

>> morrison: thank you, mayor.

This is an item about the innovation district that you brought, mayor, along with the mayor pro tem and councilmember riley, about the innovation district to try and get ahead of the game and start defining what it is and looking at land uses.

I appreciate all of that, it's a great idea.

There were two things i wanted to raise about it.

One is that heather way had provided some suggested language, and i believe, mayor pro tem, you may have been on that email to make sure that we think about housing as part of the innovation district, and in particular, about making sure that we have a goal of providing housing for low to moderate income workers who may be working in the innovation district.

I was interested in making sure we had that.

I'm not sure if you've had a chance to think about that, but, hopefully that would be acceptable.

Or, given that i believe you were on the message, you as a sponsor could incorporate it ahead of time.

So, i just wanted to throw that out there.

I'm not sure how the other sponsors might feel about that.

>> mayor leffingwell: it's proposed as a goal, or a consideration?

>> mmhmm.

>> mayor leffingwell: i don't think that would be a problem.

I mean, the real objective of this, as most of you probably know, capital view card is basically, dramatically limit development along the east side of downtown.

There are very few spots that are open, and the objective is to ensure that we maximize opportunities in those few spots where they're not affected by the capital view carter. That's our overriding objective, and this merely begins the process.

We don't know exactly what all is going to be required.

We've mentioned interlocal agreements, zoning changes, land development code changes, and all of these would come into play as it works its way through the process.

>> right.

>> cole: we visited kendall square, and that was like the shining example of what to do with an innovation district.

And i do believe housing was in the area.

>> morrison: absolutely.

>> cole: i don't see that as being a problem.

I think we could just add a whereas clause stating that workforce and affordable housing would be a consideration.

>> morrison: great.

>> cole: and i will get that language in an amendment, a yellow sheet, and get that to you.

>> mayor leffingwell: i think it would be acceptable to me.

>> morrison: great.

The second point i wanted to mention, mayor, as you mentioned, we're contemplating interlocal agreements.

>> mayor leffingwell: potentially.

>> morrison: potentially interlocal agreements.

And what jumped out at me is that in the second to last be it resolved, it says the city manager is directed to negotiate and execute interlocal agreements as necessary, and i felt like having the execute there was a little premature, since we don't even know what the interlocal agreements are going to look like.

It's just sort of wide open about what topics they're going to cover.

I did have a chance to talk with some folks from central health yesterday, and they have in mind some of the things that would be in an interlocal, including, you know, confirming the uses that are allowed on the p property, who the point person would be at the city, and the other parties.

And both of those are pretty, you know, minor and wouldn't necessarily need to be under the purview of council.

But one of them, one of the ideas that would go into an interlocal would be the agreement on the right of way swap.

And that sounds like something that would need to have some transparency and council purview.

So, i thought it might make sense to have the "be it resolved" state the city manager is directed to negotiate, and leave out the and execute, interlocal agreements as necessary, and bring them to council as needed in a timely manner.

So that the city manager is not given, sort of, carte blanche to just execute any old interlocal that they want to, not that i have any mistrust of the city manager, but, i just think it might be more appropriate to bring it to council.

>> mayor leffingwell: it might also be possible, if that's your sole concern, to carve that out with the exemption of right of way agreements.

I would prefer to have that latitude.

There's a lot of folks that have been working for over a year on that to try to address the challenges that we face in trying to exploit the great opportunity that we have with the new teaching hospital and the new medical school.

>> morrison: mayor

>> mayor leffingwell: there's a lot of expertise and knowledge behind that, and i'm a little bit reluctant.

>> morrison: if i could just briefly respond.

You know, as i said, there are some explicitly that it seems to make sense to go ahead and doesn't need the council oversight.

If we could identify those explicitly as go forward with those and bring back anything else, i hate to say you can do anything but right of way swap, because we don't know what else would come up.

So, just to craft it in a positive way of what are the inter locals to go ahead and execute.

So, i think that might be a little bit more conservative and careful.

>> mayor leffingwell: i think the attorney wants to weigh in.

>> yes, mayor, council, debra thomas with the law department.

Just in consistency with the handling of interlocal agreements, they would come back to council anyway, because council does have to see what they're voting on before we can proceed with an interlocal agreement.

>> mayor leffingwell: okay.

>> morrison: so, if i can ask, so, what does it mean to have something in here, the city manager is directed to negotiate and execute?

>> yeah, that probably should just come out.

>> morrison: the and execute, because it's just not practical.

>> martinez: that answers my question.

>> riley: going back to the previous point about the uses, i certainly agree about including some reference to housing and workforce housing, but, i would just add, i think what we would have in mind would be a healthy mix of uses.

And so, as long as we're going to get into the particular uses, in addition to housing, i think it might be worth mentioning retail.

A healthy mix of uses including housing and retail.

>> mayor leffingwell: we could add that in the same whereas.

I think that would be fine.

All right.

If nothing else, we'll go to item 122.

Councilmember spelman.

>> spelman: mayor, i have a very simple question, and i think a request.

On 122, more or less the whereas states, economic development corporations are a tool used by municipal governments.

We've had a bunch of plans that have recommended using eecs for one thing or another, and to supply workforce housing has been identified as an community need a tool like edc might be useful in addressing.

It seems to me this is a lot a good background for the next step, which would be city manager assess the potential for using an edc for the purposes of developing workforce housing, tell us how much it will cost, how effective it's likely to be.

I think that step is missing, however, in this particular resolution.

I'm not sure whether it's missing because we're all writing very quickly these days

[chuckling]

>> spelman: or whether we're skipping it and going to the next step, developing an implementation plan for administered an edc.

It seems to me, it would be prudent for us to look at the effectiveness of an edc, figure out what it's going to do and how much it's going to cost before we go to the next step of coming up with an implementation plan.

>> cole: mayor.

The language in the second, be it further resolved clause that says identify needs as well as potential sources and application of funding was designed to sort of get at that, and not have to do that.

>> spelman: it does that for other focus areas other than workforce housing.

>> cole: so if we added that language to the first be it resolved, would that because i think your point is well taken.

>> spelman: yes, we ought to do a feasibility analysis first.

If it turns out well, it makes sense to come up with an implementation plan.

If that works well, we can adopt the plan and come up with an edc.

It seems to me the feasibility analysis is missing.

I wanted to be sure you were thinking about that.

>> morrison: mayor.

>> mayor leffingwell: councilmember morrison.

>> morrison: i think one of the i get your point.

One of the frustrations has been that we've been talking about an edc forever, and the last briefing we got suggested there were a lot of possible needs, and identified the workforce housing clearly as one of them.

So, i just want to make sure the language doesn't start us back at the beginning with workforce housing.

This was meant to move us along.

>> spelman: i am persuaded that edcs have been put to good use in a lot of places.

>> morrison: right.

>> spelman: could very likely be put to good use here and on workforce housing.

>> morrison: right.

>> spelman: the next step, it seems to me is, okay, what good use would we put it to in workforce housing?

>> morrison: so more specifics.

>> spelman: being more specific before we get to the next step, which is, now we've figured out what we want to do.

>> morrison: right.
>> spelman: and shown it's going to be helpful, how're we going to implement it now.
>> morrison: okay.
>> spelman: i believe that was being skipped.
I don't want to go backwards.
I think we ought to be looking at it.
>> morrison: the second be it resolved language is more general than we want to say.
Maybe i'll work with the main sponsor, i was the cosponsor, to come up with middle language.
>> spelman: if you could, i'd appreciate it.
>> morrison: all right.
>> spelman: thanks.

>> mayor leffingwell: okay, next item is 127, pulled by councilmember morrison.
>> morrison: this is sort of the spelman and morrison show today.
[chuckling]
>> mayor leffingwell: it usually is, yes.
>> morrison: so, this is item number 127, a resolution on the remaining newly available \$24 million in funding from the capital metro quarter cent funds.
And we did get a memo from staff, just very recently, and i wonder if i could ask staff some questions, because i was a little surprised to see this, because while i understand that airport boulevard has a lot going on with acc, and there's a need for infrastructure, i'm concerned about not having had a chance to have the council take a look at what the options are, what the needs are, before going straight to one project.
And so, mr. Goode, could you talk about why this 24 million is available, if there's going to be more money, and what process i believe your memo said staff considered this premature, what process you would see?
>> certainly, robert goode, assistant manager.
These funds were dedicated in 2000, the quarter cent funds from capital metro to use on transportation, mobility kind of projects.
We've been spending the funds, there's 20 million remaining.
During the process for the project connect and urban rail, the city took the stance so say, yes we will support urban rail with these funds, if that passes, and that would help in the operation because capital metro was struggling with how they could fund the operation of urban rail.
So, that was, at that time, we more or less put a hold on the funds on the quarter cent funds to dedicate for that purpose.
And as in my memo expressed, i think you said it very well.
Airport boulevard is a very worthy project, absolutely worthy.
But, there are a lot of worthy projects and staff was also trying to think, is there now a new plan based on the november election, not only this one but the next one you're going to talk about, as well, that the newly elected body in the community, what's plan b?
We haven't really developed that, so that was my word of caution is, do you want to take that step now when we haven't really thought through.
You all have heard, and would agree, i assume, that transportation is still a serious issue in the community.

And because we had a failed election in november, that issue doesn't go away.

We have to think about what we do now.

And that, in my mind, i think it's worthy of taking some time to figure out what the next step would be before we dedicate funding to projects that are still worthy.

They're very worthy projects, but, is this the right step to take without vetting that through the community and taking some time to develop that next plan, that's all the concern i have.

>> morrison: 20 million, or 24, whichever it is, is a big chunk of change when it comes to spending that we have for that.

What kind of timeline would you see, and how has staff thought about how you would work with the new council?

It does seem like a topic for the new council, clearly, because everybody's bringing new ideas and new perspectives to the table.

>> the day after the election i directed staff, okay, now, what's the next plan?

How would we develop the next transportation mobility project plan, and so we've been working on that ever since.

We haven't really developed, as i said, there are three or four different alternatives we came up with off the top of our heads on different spending plans for that money.

If there's any additional money the council would want to devote to this.

We're developing this now, i would suspect the new council would want to tackle that early on, but, they have to get their feet wet.

It's challenging to know when that will come into play, but, we would suspect in the february/march timeframe, we would discuss new plans going forward to handle transportation issues, community wide and district based.

There's going to be a lot of discussions of, what are you going to do in my district.

That was, can we hold onto the funds to find out what the next plan would be.

>> morrison: i think it's going to be fascinating to see how the new council develops in terms of, hey, there's 20 million on the table.

Does it make sense to focus it all in one district, or does it make sense to divvy it up.

So, and i have heard a lot of conversation about transportation.

>> [chuckling] i'm sure you have.

>> morrison: out there.

Okay.

So, i don't think i can support this.

I think that it really is the kind of thing that needs to be kicked to the new council.

>> riley: i understand the question is about this.

I will say at the outset, i had some questions about setting this funding aside for operations and rail, given that we were talking about operations commencing many years down the road.

And this is funding that is owed to us from some years past.

The amount, by the way, is \$20.4 million.

At the time we posted the item, the number we had was 24 million.

It wasn't until after million we got the reduced number.

It's a fair question to ask, why would we take the 20.4 and spend it on a particular corridor.

For context, i would note we have recently completed several corridor studies.

Among those is airport boulevard, and this amount would enable us to go forward with the lion's share of the short and medium term projects on the airport boulevard corridor study. We don't currently have any other funding source identified for those corridor studies, and so one benefit of proceeding now with airport boulevard is that it would signify some level of seriousness about actually moving forward on those corridor studies, with implementation of the recommendations of those corridor studies, rather than just spending a lot of money to get the studies done and then letting them sit and gather dust until they grow stale.

This is a chance to say, we are going to be serious about those studies.

Beyond that, there is the additional significance of airport boulevard.

Yes, there is acc going forward with highland mall, but, even more relevant to the city's interest, there has been work underway for some time on an extensive project with a direct bearing on the revision of our land development code.

I see we have some staff here, jorge has been instrumental in the airport boulevard project for some time.

And i'd just like to invite jorge to provide a very brief update on where we are with that, and how airport boulevard is different from the other corridors in this respect.

>> thank you, councilmember, council, good morning, jorge with urban design.

There is been a tremendous amount of activity as of late with the airport boulevard code, along with the transportation study.

Those two projects have been couple together to move forward in terms of finalizing recommendations, and moving forward on the first steps to finalize the regulatory framework for the code.

At one of your recent council meetings in november, you took action to allow staff to enter into negotiations with opticos to provide code and set up the framework by which we can create a toolbox for implementing corridor character districts along some of our major corridors, like airport boulevard.

Our intention is to start to replicate some of those concepts to facilitate recommendations like in airport boulevard to other major corridors around the city.

There is a tremendous amount of work that will be occurring fairly quickly.

We anticipate the later part of next year to have something tangible to consider.

>> riley: so, to give us the advantage of moving forward on airport boulevard is, it would allow us to capitalize on all the work that has been invested in the particular segment of the corridor between lamar and 35, which would have benefits not just for the corridor, but, for demonstrating the use of form based code city wide.

It would help lay the foundation for unrolling a revised land development code across the whole city, which would benefit all parts of the city, every council district.

So, there is a significant city wide interest in proceeding now with these improvements.

I will also note, as i capital metro board member, there is a very significant transit interest in airport boulevard.

The whole length of airport boulevard is very significant to cap metro, some of the most important routes are on airport boulevard.

We have visited with staff about this.

They are very excited about the opportunity to proceed with improvements, which would have very significant transit benefits.

Just based on the genesis of these funds, which were originally cap metro funds, intended for use for transit, this strikes me as a very appropriate way to actually get serious about one of our corridors, proceed with the recommendations on a corridor study that has been recently completed, and to set a pace for how we expect to move forward with all of our work on all of our corridor studies.

>> mayor leffingwell: so, could i ask you, you said you had specific projects that were ready to go.

What type?

Could you describe them, briefly?

>> riley: yes, they are the short and medium term projects that are shovel ready.

We have a list there is a list of specific projects within the corridor study.

I expect staff would be able to specify what those are.

We do have a detailed list, i would be happy to provide it.

>> mayor leffingwell: could you characterize them generally?

>> riley: there's a whole variety of things.

Many were intersection improvements, some were signal improvements.

I don't remember.

>> mayor leffingwell: they're all transportation?

>> riley: all transportation related, yes.

Yes, actually, i've just been reminded, i have a list right here.

In the airport boulevard corridor development program, dated february 2014.

And the work includes a whole list of projects there are eight different sections stretching from lamar down to la vander loop.

Landscaping on parkways, hardscapes, irrigation, illumination, water, sewer, a whole series of projects providing transportation benefits.

>> we can provide that list to you, as well.

>> you can provide that?

>> yeah, we can.

It's in the corridor plan.

>> mayor leffingwell: anything else?

>> morrison: mayor.

I just want to go back to the suggestion you made that this program partly has a city wide impact, because opticos is going to be working with staff to come up with the pilot form based code definitions there.

But i guess i don't see why there's any tie between that and spending \$20 million on airport boulevard.

>> riley: because to actually be able to see work proceed on a corridor in a way that would allow us to actually get the actual development in place that is contemplated by the code, that is the key.

That actually would provide the infrastructure and other improvements along the corridor that would lay the foundation for the actual build out of the corridor.

That's what we're talking about with this new code.

It's the difference between having a code that is simply a bunch of pictures on paper, and actually be able to see work proceeding on the corridor and building out in a way that would represent the fulfillment of the community vision.

>> tovo: i wonder, i haven't had an opportunity to review your memo yet, so, you may have answered some of these questions in it.

Can you give us a sense of other projects that would be eligible for the funding?

>> mostly transportation mobility projects.

Especially from director speller, he's putting together a list of transportation traffic signal kind of work that could be distributed amongst all the districts.

It could be, as councilmember riley mentioned, there were additional corridor plans that were accomplished that could be spent.

It could be split amongst those corridor plans.

We just had a recent memo to council on rody lane.

There are projects like that throughout the community on transportation.

Again, a very worthy project.

It's just, is this the one you want to spend the money on at this point.

>> tovo: yeah, it is clearly a worthy project.

>> absolutely.

>> tovo: and i think this kind of influx of money would really make for a huge transformation of that road.

But, are there other it sounds to me like what the memo suggested is that there are that you're looking the transportation staff are looking comprehensively at a plan b solution, and the money that would be used for those projects would be this same funding.

>> at least.

>> tovo: the primary or a this would be some of the funding that would be used.

>> that's

>> tovo: for that plan b.

At least some of those other projects that you're identifying, other corridor plans, are also shovel ready so some extent or another.

>> some are, some would take more design work, yeah.

>> tovo: i guess another question i would have for you is whether there's other funding that might be available for some of the airport corridor.

>> well, that's the tough question as we go forward with the newly elected council, and how much how do we fund the new transportation plan.

The november election said don't do it this way.

That was the wrong plan, so we do have to consider begin planning on how we're going to fund, in the council chooses, a new transportation mobility plan that would address, perhaps high capacity transit, arterial plans, corridor plans.

We don't have that developed yet, we will have to explore funding sources, but, the general election, bond elections, or certificate of obligations.

All the things we looked at when we looked at the urban rail program will be in play again.

>> tovo: i'm sorry, i was really talking about external source of funds that might be available for some of the airport corridor.

I mean

>> we'll continue a seed grant funding.

>> tovo: i was wondering, you know, would that be a reason not to allocate all of the funding, all of this funding for that study, because it might there might be an opportunity to leverage of smaller piece of that funding with external grant funding.

>> you could make that case for any transportation project, we'll look for external funding. The best source of funds are other people's money.

>> tovo: if there's a match required, and you've used all of our cash on one project, rather than a little cash into this one and a little cash into that one, to get the match dollars.

I mean, it seems like the ones you've described to us are typically matched opportunities.

>> yes.

>> tovo: okay, well, i look forward to reviewing your memo more carefully.

The other question i would have, if we looked at this and said, we're not ready to allocate all of that 20 million to this particular project, does the airport corridor study identify some smaller segments that we could instead focus on?

>> there's short, mid and long term project lists, so, we could develop that.

>> tovo: we could stop it short or something like that.

>> sure.

>> tovo: okay, thank you.

>> mayor leffingwell: so, i hope we will get a chance to look at the list, because i think what i'd really like to see with this \$20 million is actual pavement improvements, things that move traffic rather than, you know, those about improving signalization and synchronization and that kind of stuff.

Turning lanes are very important to moving traffic.

Every day when i come to work, i see that on caesar chavez, so, i think something like that would be money well spent.

>> riley: i do think that the short and medium term improvements include that.

And finally, i would note, airport boulevard does happen to cross through four council districts.

And i don't i have to check this, i'm not aware of the corridors that were under study that passed through that many.

I don't believe there's any other single corridor that touches as many districts as this one.

>> mayor leffingwell: okay.

All right, we'll go to item 131, pulled by councilmember morrison.

>> morrison: thank you, mayor.

I see mr. Goode walking away.

This is the lone star tif item to actually start allocating.

We created the tif last year, this would change some of the parameters of the ila, and start dedicating 50% of the increment to it.

We had a chance to have a good conversation at audit and finance.

I'd appreciate the lone star folks and our staff coming to talk about that.
And you all provided a memo, i guess yesterday, or this week last week with your thoughts on the matter.

And i wanted to know if you could walk through it, in terms of your what your recommendation is, and your evaluation.

>> yes, ma'am.

Robert goode, assistant city manager.

Same discussion that we've had in the previous item.

After the election, we really are trying to step back and think about what the next transportation mobility plan should be, comprehensive plan, and that's going to take some time.

Lone star rail is a vital component, we would hope, of any plan going forward.

But, based on project connect, one of the primary elements was urban rail, and that's not something we're going to pursue in the near future.

So we really are just kind of thinking about what would be the next plan, and would lone star be the first thing we would want to prioritize.

It's going to be a project that continues to flow through whatever plan b or c is, but, at this point, you're making a decision to fund that without that plan in place, and without the next council saying, "this is what we want to embrace as a community and go forward with that plan," whatever it would be.

And it feels like this is just premature.

>> morrison: do you have a comment you want to add to that?

>> i'm going to echo robert's comments on the financial side, it's the same issue.

I don't think we have a good handle of what the impact would be this year.

There will be a property tax impact for this current fiscal year.

We don't have that analysis done.

We have to go and look at all the parcels, work with the appraisal district to establish the tifs and zones and validate the data, but, we do know there would be an impact to the current year taxes, and obviously on a go forward basis, as well.

That will take some time to do that work.

>> morrison: the idea of tifs is the concept that this, having lone star will actually generate the increment that wouldn't otherwise be generated in taxes.

Could you talk a little bit about that?

I know in audit and finance, we've played around with some numbers and things like that.

>> certainly.

As elaine and i talked about a year ago overall on tif policies, the city has implemented tifs where the increment generated is there because of the project.

The, again, the current situation on the ground, there has been a lot that's changed along the corridor, whether it's the domain, on slaughter, 35th street, recent news has changed.

So, certainly, i know lone star conducted some studies to look at that uplift.

My understanding, those studies are several years old, probably based off a 2010 appraisal information.

So, determining what that uplift would be, again, market conditions have changed.

I know in the slaughter, domain area have changed.

And attributing them to any project at this point, i think we would think that most of the property valuation gains have been really market driven in the corridor.

>> morrison: and i guess one open question that i still have is, even given the old information, the old information suggested that the uplift, as you so nicely put it, is 36%.

And this is the resolution contemplates 50%.

So, what that tells what we discussed at audit and finance is that basically, that extra 14% would be an investment from the general fund that would be there otherwise, with or without the development.

And that we would need to think about the fact that whatever the size of that 14%, even if that's the right number, is a long term investment and a long term impact to our general fund.

I guess 50 years what are we talking about in terms of the length of the interlocal that's

>> 36 or 37, i think it's an odd year.

>> morrison: with some extensions.

>> again, i would say looking at the we did the city also conducted studies around the same time in 2010, when we were working on urban rail as part of the financing plan.

And we also looked at uplift for urban rail, downtown, riverside.

Our initial take on that was the consultant report, the same consultant that did the work, uplift was overstated because of the assumptions that go into valuations and the way the district does values.

Why myhra has to do is very challenging, so, we went through those studies took a long time, because we went back and forth a lot to validate the data, to make sure we weren't overstated what we thought the up lift would bid.

We took down the original percentage by half sometimes.

We have not looked at the original studies from four years ago, we haven't assessed those.

I really can't speak to the 36% or the 50%, because we just haven't analyzed them.

Again, from a tax perspective, again, we know that any increase above 0% will result in a tax impact to this property tax revenue impact to this current fiscal year.

>> morrison: and can you give us any, like, order of magnitude of what we're talking about, 36 years out or now?

Now it would be low, because the increment is one year, but, an order of magnitude with regard to the general fund?

>> well, i know that this is a little bit old, it goes back to last december when we first came forward.

We had projected in the range of within five years of about a million dollars per year that would not be coming to general fund.

And, again, we haven't looked at those in the past year.

We haven't again, we haven't gone back to look at the individual parcels or look at the zones and look at the market conditions that have changed to be able to put an accurate assessment of what that impact would be.

From a macro perspective, i would assume it's a little bit higher now because of what we've seen with values, certainly in some of those along those corridors, you know, certainly, really all along it i would argue.

>> morrison: right.

And in fact, we know one piece of property in the 35th street area that, while it may have been available for \$28 million, actually sold for \$46 million.

So, that tells you a little something.

And then, i do want to acknowledge that when we discuss that at audit and finance, the lone star folks talked about that extra nonfinancial, whether it's 14% or 35% is an investment in what you might term "noneconomic benefits" of having a robust transit system, which i totally respect.

The last question topic i want to talk about is the policy that we have that we wouldn't tax more than that we wouldn't tif more than 5% of our property valuation.

And we've had some discussion, i know it was a year or two ago, i suggested, why not weight the percent by what percent why not weight the property value that you're tifs by the percent that you're tifying it by, which now seems to be being suggested by lone star, because this would put us over 5%.

So, that's just a policy decision, i get.

But, i'm particularly interested in that because i'm very interested in, sometime the multiyear, probably almost decades long effort to put homestead preservation districts in place is a viable option, and i know you all provided a memo last week, which i have not read, about those.

And so, can you about homestead preservation districts and the viability of those.

Do you see that becoming a conflicting issue for us?

With tifying for lone star?

>> generally speaking, in terms of property tax, austin relies heavily on it for general fund expenditures, and more so over the last five to eight years, we've tried to not over rely on one time sales tax revenue.

That's been a good course of action in terms of sustainable budget practices.

We want to make sure that we preserve our property tax base for our ongoing operations, and we believe the current tif policy of 5% works.

It allows us the flexibility to look at specific projects, one that are on the ground and then future ones.

There's resolutions this week about that, for colony park.

We believe there are specific areas within hpds, looking at housing, transit and jobs together where we can make investments that would support various elements, and capture various policies.

And we've talked to staff other staff about how we can move forward on identifying those areas.

We do believe tif can be a useful tool on a move forward basis if it's used well.

From a general fund perspective, and a property tax, we certainly expect the overall conversation about property taxes this up coming budget year to be as robust as it always has been.

[chuckling]

And an added factor this year will be discussions that happen at the legislature regarding property tax caps, and revenue caps, and overall exemptions.

And i think we just have to be mindful of those discussions as question talk about overall property tax rates, and likewise, drilling down into any discussions of tifs.

>> morrison: thank you.

>> cole: greg, you understand that this agreement has two major prerequisites.

And one of those is that the city, travis county, and hayes county have to come to an agreement.

The amount that we are tifying does not involve disbursement of city funds right now, or any time soon.

You understand that, right?

>> yes.

>> cole: and so, the date for that first trigger point with the other counties is may 2017.

So you got that?

>> mmhmm.

>> cole: and the other big item that has to have a trigger point is the agreement with up, which is the major capital cost for this item.

So, i'm just trying to make this clear to my colleagues, also.

What we are doing is providing them a potential vehicle for o&m costs to help them actually be able to show that to the federal government as a mechanism to be able to receive federal funding.

But there will be no funds out of the city's control until after those two prerequisites are met.

And those are some pretty heavy prerequisites, so we have that safeguard in here.

Lone star rail goes through eight cities, from gorgetown to san antonio, which is a huge amount of distance.

And it contemplates seven stops in austin.

And it's very crucial that austin actually takes a step in designating some potential funding for this enterprise, because it will help to strengthen their ability to get funding from other cities.

But other cities have launched and made agreements with them, including san marcus, which did that at a 50% tif rate, and also acc just last week did that at a 50% tif rate.

I believe that it is not premature for us to take this step.

Future council will, of course, be able to undo it.

All we're doing is designating some tif area around the rail stations in austin.

But there will be no actual disbursement of city funds.

>> mayor leffingwell: councilmember spelman.

>> spelman: i agree with everything mayor pro tem cole said.

We have a policy in place that we will not tif more than 50% of the total assessed value of property inside the city, is that accurate?

>> yes.

>> spelman: by tif, we will not apply any kind of a tif to property that amounts to more than 5%, regardless of the size of the tif.

>> correct.

>> spelman: right now, we're talking about a 50% tif here.

Do we have any other tifs which are less than a hundred percent?

>> our i believe all of our tifs, the city, mueller is 100%, waller creek 100%, the county participants at 50%, and seaholm, we're at a hundred percent.

>> spelman: okay, that's is that common for tifs, or was it common for tifs?

>> they are a common use of tifs, they are tifs for infrastructure projects that in themselves create value above and beyond the baseline.

In essence, they were gray field projects that either put land back in the tax roles, or increased value at an accelerated rate.

They are kind of a prime example of the use of the tax increment financing tool.

>> spelman: typical use of the tif is created for structure which will put land in play that would not otherwise be.

This is not exactly the same thing, because we're not, like seaholm, creating opportunity for development that did not exist before.

But, we are dramatically improving the potential for development by roughly 36%.

We might come up with a different number if we did the study again, but, there would be an improvement capacity for development around the train stations of lone star than there otherwise would be.

Regardless, 36%, 41%, there's a number out there someplace which does capture, at least conceptually, the improvement of our development capacity.

Is that accurate?

>> certainly.

Study nationally have shown transit stations do help increase value.

And i think that's not a precise evaluation that you can see something on mueller when you take a blank piece of dirt and put infrastructure and property on top of it, but, certainly we would see up lift.

That depends on timing about when projects become, you know, attributing development and growth in av to any specific timeframe or project.

>> spelman: in mueller, you have the difference between something and nothing.

In this case, it's more complicated.

In the case of a homestead exemption on the side, it would be more complicated.

What kind of a size tif are we talking about for that?

I've forgotten.

>> well, we discussed and we produced a memo that went out last week about our recommendations in terms of homestead preservation and looking at instead of district wide districts, but, looking at specific projects within the district.

There was a series of policy recommendations about ensuring the tifs we create have an affordable housing component to them.

That would be a change in our current policy, and also, soliciting and targeting areas where we can invest in infrastructure and affordable housing where it's needed, again, looking at it from a housing, jobs, and transit perspective.

Again, we believe there's ways to do that that would encourage development in specific areas above and beyond baseline growth that would get affordable housing units, also.

>> spelman: that wouldn't be 100% tif?

>> we haven't identified a specific project.

The first place, you'd look at the tods in place, saultio, there's opportunities for public infrastructure investment, potentially.

But, also capturing tif revenue to do other investments in affordable housing.

So, there's many places to start, but, no numbers have been determined for any project.

>> spelman: would something like 36% be a reasonable starting point, less, more?

>> typically, again, i'll go back into a general state.

When we look at projects, you look at what the infrastructure needs are.

In this case, recommendations in looking at housing needs, come up with a financing plan, see what the right type of investments need to be.

Certainly, in this day and age, when we look at financing, you've got multiple sources of financing.

Maybe tif, bonds, cash, developer participation.

So you try to put an entire funding, financing package together when we look at any specific investment.

>> spelman: sure.

But it has to be tied to the actual value.

>> absolutely.

Absolutely.

>> spelman: okay.

We have a procedure, we have a policy now that looks at all of the area that is going to be tified.

It seems to me it makes sense to do what we do, which is look at the total assessed value that is being tified and compare it to a number like 5%, and make sure we're not going over that number.

It also makes sense to me that we also might want to look, going forward, at any future tifs and make sure we're not ti effing too much.

We haven't tod do it in the past, we haven't had a tif less than a hundred percent.

But, if we have them going forward, such as the lone star tifs, or something else, then we would want to take into account the fact that a tif of 10% or 20% is not going to be taking very much out of the general fund relative to the tif of 90% of a hundred percent, does that make sense?

>> in terms of state law, they have a percentage, as well.

We actually do look at the captured value underneath the tif.

For example, waller creek, not all of that we don't count that base value in the calculation when we tell you we're at 1%, or a little bit above right now.

We're capturing the implement.

We do our calculation based on the increment calculated, whether it's 100% of 50%.

>> spelman: we're capturing 100% of the increment, but it's not very much yet.

>> over time, the increment is what we use to do the calculation of the percent.

>> spelman, of course.

The reason is, that increment, but for the tif, par don my expression, would be going back to the general fund and could be used for general purposes.

Because of the tif, it's going someplace else for specific purposes.

The whole point is to understand the extent to which the tif puts a crimp in our ability to spend property taxes in the general fund.

I guess the point i'm getting at is, if we applied that percentage of assessed value calculation to the lone star tif, and if we applied that same percentage of tif value to any homestead preservation tifs that we are talking about putting together, it seems to me that by using that

percentage as a guide to the extent to which we're actually removing funds from the general fund, we can still stay underneath that 5% number that has been our long term policy.

And i think i've seen some calculations now.

They may not be final calculations with respect to the homestead preservation tifs, because we're still working on those.

You may want to redo the calculations downstream, but, based on the latest lone star numbers, it seems to me a fairly reasonable estimate for what we were talking about doing for the homestead preservation stuff, we were staying under 5% so long as we applied the percentage of the sale itself.

Do you remember doing those calculations, or seeing them?

>> we haven't done any calculations on the lone star, we have not we haven't analyzed the data or looked at it at all in terms of what the av is, the capture rate, that's work we would need to do.

I would say that, while the it is correct the agreement says that we would not transfer any funds to lone star until all the commitments are made, it has to be put into a separate fund.

That's why we would see an impact to this current year budget, and future budgets.

It wouldn't leave the city or be part of the general fund.

>> spelman: we have another calculation to figure out how big those numbers would be.

We've seen estimates from the lone star people, i don't remember the actual numbers, what their estimates are.

It would increase over time, we have to be very prudent.

My primary point was, if we're talking about not a hundred percent tif, but a smaller percentage like 50%, like what we're talking about with lone star.

Not a hundred percent tif with regard to the homestead, but, i believe it's lower still than 50%, then we could still stay within the meaning of the policy, not take off too much money off the top for tif purposes of any kind from our general fund, and still fund both homestead preservation and lone star.

Okay.

Possibly?

If that's the best i'm going to get out of councilmember morrison is possibly, that's good enough for now.

>> cole: we'll take it.

>> martinez: i think for me, it's i'll give two examples.

Fundamentally, it's just a higher priority that we initiate the tif for the homestead preservation district first.

We've been working on it, it is real, it is in front of us, and the need is already there.

This is an aspirational project that is not funded and that doesn't have all the partnerships lined up.

I'm certainly supportive of lone star rail.

But then, in the second example, we haven't even created a tif zone for the red line, which we just received a \$50 million grant, we just bought new rail cars and are now going to do additional siding to reduce headways to 15 minutes during rush hour in the morning and the evening.

But i wouldn't even vote for that first over homestead preservation district, because as i've said in the past, while i think we should create a tif around the red line to improve services and improve cap metro, i would want to do the homestead preservation district first so that it tiffing the redline didn't take away from the district in the mlk and saultio area. It comes down to making a decision on what is the higher priority, and i think the homestead preservation district is a higher priority.

>> mayor leffingwell: councilmember tovo.

>> tovo: i'd like to go back to the comment that was made that san marcus and acc have agreed to a 50% tif.

Did they what kind of financial evaluations did they have?

I know the analysis we had was dated and hit 36%, as has been said.

Did it occurs to me san marcus may have done their own study that may show that for san marcus, there is a 50% increase.

So, their financial assumptions may justify a 50%, where at that point, as i understand, the staff's analysis, the best financial projections we have do not justify a 50%.

>> i'm not aware.

>> mayor.

>> mayor leffingwell: mayor pro tem.

>> cole: i do have an answer to that.

It is my understanding that both acc and san marcus were motivated by the needs of their students to actually commute between those two campuses very frequently.

And, i mean, they recognized the high need.

>> tovo: they saw it as an investment, whether or not the tif whether or not having lone star there would actually result in at least a 50% increase?

>> cole: they put i don't know i have not seen their financials or the analysis that they made.

I just know that they made a major decision that the ability of their students to travel among their campuses was paramount.

>> tovo: are there any contingencies in their agreements?

>> cole: i can't tell you about their agreements.

I can get you that information.

>> tovo: their rationale i certainly think that makes sense.

It's a valid consideration.

>> cole: those should be considerations of ours also, yeah.

>> tovo: and i believe that we had that conversation in audit and finance and a little bit here today, that that existing 14% gap may be it may be the will of the council that, you know, that that's an investment we want to make from our general fund.

But we need to be really clear it would be an investment from our general fund, because the best economic analyses we've had suggest that lone star would not result in a 50% increase. It would result in somewhere closer to 36%.

So, we would need to be prepared to be setting the city up to make that investment from our general fund.

Am i understanding and explaining that correctly, mr. Canale?

>> anything above 0% will have an impact on the general fund.

It will divert money into this restricted fund until the time when lone star meets its other commitments, but, it will be a reduction to the general fund.

If it's set at 50%, it will be 50% of the property tax revenue generated for those districts.

We don't know what that is, again.

It will take us a bit of time to go through that analysis and work with tcac and make sure we have all the right data and the parcels to understand what that is, and then have to come back and show that reduction to the general fund, and move it over into its other fund.

So, that will take a bit of time to do, but, it would be that, whatever number is determined.

>> tovo: sure, but the 36 number, the 36%, was based on the somewhat dated but best, most recent financial projections we have about what the increase would be in terms of the property tax revenue that would accrue to the city from having a lone star rail stop in these areas.

>> that's correct.

Not to be too mechanical about it, but, the property tax revenue we will generate this year in those specific tifs is money that is already designated to come into the general fund.

Changing the percentage will put it in that.

Whether 36% is attributed to lone star, or to market forces, i'll have to it's somewhat of a

>> tovo: that's a good point.

>> it's somewhat of a you know, i think, again, you get back to the conversation about the typical use of tifs, and the timing of when the project generates revenue.

This is probably a little more esoteric, an esoteric use of the tool.

And in terms of timing and the project, and where lone star is, a project that is fairly well supported.

The city participants every year in helping to fund the operations through an interlocal.

But, in terms of that project having an impact on property taxes above and beyond market is, i think, just a question that probably, at this point, is somewhat unanswerable.

>> tovo: okay, thank you.

And so, the staff recommendation, with regard to the 50%, is not favorable, is that correct?

>> we're still waiting on the new council.

>> tovo: all right, thank you.

>> mayor leffingwell: okay, we'll go to item 133, councilmember spelman.

If you can think of about a hundred more items that are premature, mr. Goode, it would sure help us out a couple of days.

[laughing]

>> spelman: as i understand it, mayor, 133 directs the city manager to transgender inclusive benefits as part of the employee benefits for part of the 2016 proposed budget.

That sounds to me like a good idea.

I'd certainly like to be able to do that.

I don't know what it's going to cost us to do it, and unfortunately, so far as i can tell, neither do the people who put forward the resolution.

We have some evidence from a study done by ucla, a fine institution, which is extremely believe only, particularly since it beat the living crap out of the trojans a few weeks ago.

>> mayor leffingwell: that's pretty positive there.

>> spelman: i think so.

Ucla suggests that in other healthcare programs, the costs are relatively low.

The utilization rates are extremely low.

I suspect that that would be true for us, as well.

And they found of 26 employers who provide transition related coverage, 22 found no additional cost.

On the other hand, four of them did find additional costs, and i wonder if we have any information as to whether we're going to be in the four that did or the 22 that did not.

Would this be difficult, mr. Washington, or fairly simple for us to cost out and identify whether or not adding this kind of coverage for our employees would cost us additional money, and if so, how much it would cost us?

>> mark washington, human resources director.

I have not had the benefit of looking at that study, but, we asked our actuaries to look at the potential cost of adding the benefit during the last budget process.

And what we received was an estimate of a range of 25,000 to \$100,000 a year, depending on utilization.

So, that was from our health plan actuaries.

>> spelman: okay.

This is a relatively expensive benefit for people who decide to make use of it, but, relatively few people decide to make use of it.

There would be a wide range, depending on the unitization rate.

>> so, that's 25,000 to 100,000 per surgery, but, we are not aware of the utilization.

As you indicated, if it is low, which many are anticipating, it will not be significant.

>> riley: something like once per year seemed to be consistent with the ucla utilization rates.

Let's double it, to give ourselves a bit of extra room, 50,000 to \$200,000 per year, would you look upon that as a substantial, or even noticeable cost in our healthcare?

>> well, relative to the total cost of the health plan, no.

It's not a significant amount.

I think the issue that we evaluated was its contribution towards us reaching the excise tax in 2018 as a result of the affordable care act.

And so, that's really what the implication would be in terms of the city having to pay more for "cadillac rich" type of plans.

So, that's really the impact.

Our current budget is not significantly impacted by it, it's the future liabilities for enriching benefits.

>> spelman: so this might move us from pontiac to buick status, but we're nowhere near cadillac.

>> the actuaries project we will have a cadillac plan in 2018.

>> spelman: okay.

>> and i saw some of the information in the resolution that indicated in one plan, we were about 32% away from the threshold.

If you factor in an 8% or so trend each year, and compound over the next four years, we will have achieved the threshold for the cadillac tax.

>> spelman: so we have a big margin now, but we have an increase

>> just regular trend, right.

Current benefits without adding any enhanced benefits, just the regular medical trend will get us towards the cadillac tax.

>> spelman: we want to avoid 10,200 for employee plans in 2018, and that number is not inflation, that's just the number.

>> correct.

After that number, the inflation trend is projected to increase 4% or so, 3% thereafter.

>> spelman: okay.

And this is just taking into account our historic increase in healthcare costs.

Is this national data, or our own?

>> it's based on our plan experience and projections.

>> spelman: okay, based on our own plan experience, we'll hit the cadillac number and have to pay the excise tax.

>> correct.

>> spelman: okay, given that context, how important do you consider taking on a new responsibility that might cost us 25 to a hundred thousand dollars per person, and an uncertain utilization rate?

>> well, that's the unknown, the utilization.

Obviously, it's not a significant amount.

Giving the multimillion dollar plan we have.

I would be much more comfortable if we had, you know, a strategy of when we enhance benefits, we also had a coupling, a coupled strategy of doing things to mitigate costs.

>> spelman: right.

>> wellness, prevention, etc.

As the city considers enhancing benefits, we should likewise consider strategies of mitigating costs.

>> spelman: i see a lot of signs and flyers and so on.

It seems to me we're doing a fair amount of that right now, are we not?

>> we are, there's always opportunities to improve wellness and prevention strategies.

>> spelman: we're trying to avoid the excise tax.

>> correct.

>> spelman: we would like to do as much of that as we can.

>> right.

Some strategies you can reduce benefits, or you can mitigate cost.

>> spelman: mmhmm.

>> in order to avoid reaching that level.

>> spelman: do you have a plan to reduce benefits?

>> no, we have not proposed we haven't had any discussions about reduction, our focus is on prevention, and mitigating costs through prevention.

>> spelman: this is a can of worms which is different from where we started, but, it's important.

I had no idea we were actually this close to that excise number.

So, let me pursue it just a little bit.

Do we have a plan in place to change to introduce enough prevention or wellness to get us to the point where we'll actually stay underneath that excise number?

>> right.

During the last budget process, one of our strategies, we have several.

But, one of them was to increase the number of employees participating in the wellness program.

And we have around a 50% participation rate across the organization.

As you can recall, it was a sensitive topic for the council to require employees to participate in a wellness program, or to incur a premium.

>> spelman: yeah.

>> we'd like, ideally, to get a hundred percent of our employees participating in that.

And that would allow us to focus more on the care, if you will, in terms of reducing costs, versus reducing benefits.

>> spelman: okay.

So you have a large increase in the participation rate.

Based on that, can you reasonably foresee that will be sufficient for us to reduce our total cost and stay under the excise number?

>> right.

There's a one to four return on investment in terms of the amount of investment you put in wellness programs.

So, we think that would definitely be a mitigation strategy.

>> spelman: every dollar we put in, we get four back?

>> that's the national studies.

>> spelman: okay.

And because we're getting higher participation rates, we're able to spend more on wellness, and we may be on track to do that?

>> mayor leffingwell: this is a really interesting, important subject, but it may be a little off the topic here.

>> spelman: it may be tangential to the topic before us.

I certainly didn't expect for our conversation to go here, but it seems to be extremely important for our employees downstream, and we have not had a chance to pursue this question.

I want to be sure we're on track to have dealt with this appropriately.

I'd like mr. Washington to finish the conversation.

>> mayor leffingwell: i agree with you a hundred percent, it is very important.

I'm glad it's been brought up, but, i question whether or not

>> spelman: this may not be the right time to pursue it much further.

I understand that, sir.

Are we going to be okay with this, mr. Washington?

Is the next council going to have to do something different?

>> relative to the transgender assignment?

>> spelman: no, forget the transgender stuff.

For now, with respect to not getting the 40% excise tax cadillac plan.

>> so, yes, this will be a future issue, an emerging issue for the city to continue to keep on the radar and address as we propose the budget every year to make sure that we are doing it in a responsible manner that minimizes the implications of the cadillac tax.

>> spelman: okay.

Presumably, there will be some role for the council in helping you implement whatever procedures you need to improve the wellness participation rate so that we can get as many people well as possible in advance and keep our cost down.

>> correct.

But, in reference to the transgender reassignment surgery, we did not realize the number of cities that have increased that coverage at the time of the budget.

I think the study that was adopted in the resolution came out in november, prior or after our budget proposal.

So, we will continue to monitor that implementation across the country, and reevaluate that benefit in next year's budget proposal.

>> spelman: okay, thank you, sir.

>> mayor.

>> mayor leffingwell: councilmember martinez.

>> martinez: as the lead sponsor of this, if we as a city are heading towards, you know, the 40% excise tax, it's not an austin issue.

It's a nationwide issue.

If healthcare continues to trend in terms of cost, it won't just be something austin addresses. It will have to be addressed through the affordable care act and through each and every other city that's also hitting that cap, as well.

So, what we have found, and the information that's out there is that implementing this, there are many, many employees, 105 companies adding this as part of their benefits package.

And the indications that we have, the information that's out there is it is negligible in terms of an increased cost to those entities.

The ten cities listed are also part of the study that show it is a negligible impact at this point.

>> mayor leffingwell: okay, thank you.

So, we'll go to item 134, which i pulled.

And at our last meeting, there were several issues raised, and it was postponed in an attempt to address those issues.

I would like to ask the developer's representative to come up and talk about the status of those talks.

>> cole: did we do 200?

>> mayor leffingwell: it's on my list.

134.

>> it's not on the list any of us got.

>> mayor leffingwell: it's an up dated list.

>> my name is richard, i'm here on behalf of the folks that proposed to do the park improvement at decker lake.

Several months ago, there was an rfp issued asking for proposals to kick off the development of the park.

And my client responded in a way that was responsive.

And responded in a way that would start the transformation of that park at no cost to the city.

In august, your staff recommended award of that contract to my client, and it came to you in a previous council meeting.

The proposal as it is right now makes austin the leader and the example in best practices for development of park land in this way, both from an environmental and water usage standpoint, and from a city finance standpoint.

Recall that this was a proposal asking for folks to come build us a city public golf course at no cost to the city.

On land that has been previously programmed for golf.

The proposal received the support of the surrounding neighborhoods in an area of our city that has historically been neglected or underserved and hasn't shared in the bounty and success of our city.

That being said, at the hearing, several good questions were raised.

We believe the questions have been answered but there hasn't been enough time to get that information out.

There are still folks that are operating with bad information.

I know although all of you have expressed support for this area of town, and for the neighborhoods in the area, especially colony park let me back up a minute.

To put everybody's mind at ease, this contract we were asking you all to approve had many trigger points including the next council.

In other words, it wasn't going to keep moving without the buy in of the next council on many of the decisions, whether it was water or community benefits.

But the contract is so weighted with those decisions being put off to the next council that we, my client, would like to ask y'all if y'all would consider putting this decision off until, say, late february so that the next council does not feel rushed, pushed, or put upon by this council.

And it relieves a pressure that doesn't need to be there on a project that is so good for our city. It's privately funded, it doesn't leverage fees, it's all things good.

There's just been some negative stuff out there.

There's no sense in pressing it at this point and having the appearance of a rush.

We originally thought we had the rush because of some things that are going on outside of the development, but we have since determined that that is not worth the anxiety it causes to push it, and so we're asking if you would consider putting this off until, maybe the latter part of february so that everybody can get on the same page and everybody can feel good about supporting this area of town, and providing this area of town with its share of the bounty and success that our city has had in the last few years, and which frankly, we have not shared with this part of town.

That will be our request on thursday, but i wanted to give you the idea to think about it now.

Obviously, it's your prerogative to do what you want to do, but that's what we will be asking.

>> mayor leffingwell: thank you.

>> cole: mayor.

>> mayor leffingwell: question for you, richard, maybe.

>> cole: i just have a comment, actually.

I appreciate the fact that you've reached out to the neighbors in the area, and i'm glad the infrastructure improvements are going to be done to that area of town.

But i do believe that especially the water issues that were brought up last time, and or have been rushed to be addressed, even though, of course, i predate staff doing that that i would support a postponement of this item until february, which was my original motion last time.

>> mayor leffingwell: thank you.

I never thought i'd be saying this, but we're going to item 200.

[laughing]

>> mayor leffingwell: councilmember morrison.

>> morrison: and that's not even on the addendum, actually.

So, that is public hearing to consider interim drainage regulations for the area of town, a small area we call south lamar neighborhood area for the most part.

And, you know, we've had the opportunity to work on be looking at this area that's been experiencing significant flooding with the infill development.

So, it's got land that is appropriate for infill, it just got ahead of the infrastructure, basically.

And so, what we've been working over the past i don't know, nine months, i think, that staff went on a tour.

We had a tour with many directors to sort of look at the overall issues, and then we all passed a resolution asking staff to come up with a mitigation plan.

One of the things that was suggested as an option was interim regulations to sort of put the skids on damage that's being done.

That wasn't ultimately in the staff recommendation.

Staff came back and recommended several studies and things like that, and we adopted their recommendations.

But at the same time, given that there was there is so much there's so much development going on there now, and we have had serious impacts, clearly we're inundated, the infrastructure is inundated.

We started working on interim drainage regulations.

I've asked staff to come here to sort of introduce everyone and give a summary of what is on the agenda.

But before i do that, i do want to pass this out.

I'm not sure if i've passed it out before.

It is some information we put together when we did the tour, and that is a listing of where all the development applications are in the area, city manager, if you could pass that out.

And then, a description of all of those, and then some pictures of some of the flooding just to make sure that people get the concept of what's going on.

I also want to thank staff for providing a memo last friday, i think mr. Guernsey did, with some real timeline on some of the studies and some of the plans that are being developed.

But, with all that being said, we do have a draft ordinance.

Staff have been really terrific, i thank you so much for the work that you've done to come up with some ideas that we could consider.

And for the most part, the ideas are, we just need more information with some of the development that's going on to make sure we can manage things properly.
And so i wanted to ask staff if they could maybe just do a run through of what is in the backup as the proposed interim development regulations.
And let me just say, i know a whole lot more about drainage than i ever did, but nowhere near as much as these guys do.

>> thank you, councilmember.

My name is jose, assistant director with the watershed department.

The councilmember is correct.

A lot of development what we started our master planning study, we found that this area of town had one of the most highest permit rates for infill development in austin.

This is 78,704, after all, and everybody wants to keep it weird.

[chuckling]

But at the same time, it was a suburban developed area, two lane roads, roadside ditches, the infrastructure is severely lacking.

We can respond in a couple of ways.

A major cip project is costly.

We can do regulatory measures.

We were going to be taking regulatory measures for water quantity control before our stakeholders in similar fashion to our watershed protection ordinance.

But, what would be proposed in the ordinance is some of the results of those studies.

We're taking developed runoff and reducing it by our current rates, by 10%. That is one of the affects of the ordinance.

You'll see that in item b2.

Any development we're proposing over 45% in previous cover will be asked to reduce flows by 10% under their current levels in the dcm.

We also have to look at the way the area, as it becomes more denser, interacts with each budding property owner.

We're looking at requiring grading plans that show the building layout, the driveways, the sidewalks, where all those are going in relation to the existing infrastructure and the abutting properties.

On top of that, we have a process to look at this at a couple of phases, maybe in the subdivision construction site plan permit phase.

And also at the building permit phase.

And i'll turn this over to the planning development review department to talk about implications there.

>> okay.

My name is johnny price, i'm with the planning and development review.

As jose said, with the intense amount of development in the area, we looked at many different things that we could possibly do to try to mitigate for some of the problems that we've seen in the area.

As he's mentioned about the actual drainage, and asking for a reduction over what would currently be regulated to, we also looked at other information that would be needed for different types of permits as they came in to look at how properties and their development interact with the locally adjacent other properties.

A lot of the problems that we've seen, for example, are in the creek.

Some of them are in the street, but a lot of them are how that drainage is conveyed through an adjacent property owner.

And so that is a big portion of some of the complaints that we get on a daily basis.

And so, as you see in part c, as Jose started to talk about, we actually are going to request that finish floor elevations, driveway, and sidewalk locations, building footprints, building envelope information, and water discharges be included in the actual building permits for anything beyond single families.

So, anything beyond a single dwelling unit on a single lot would be required to give us that information to help us regulate as we become more dense in this area, regulate and be able to verify that their drainage conveyance from their property will not cause adverse impacts to the adjacent properties.

>>> on c2, this would not apply.

If somebody had a single family home and wanted to do anything from a building permit to put in new windows, a building permit to put on an addition to their single family home without adding an additional dwelling unit, if they stay below the 45%, they would not be required to submit the information.

One problem, these were huge lots.

One single family home, they usually do not get anywhere near the 45% that they are allowed with a single family zoning.

So, we wanted to protect those properties that are, you know, wanting to stay in that condition where they have a big lot, single family home.

We didn't want to add any more burden on them if they want a building permit.

Also, for development of the single family residential subdivisions, a lot of times what we're talking about here, when they're adding a street they're having to go through the entire process where they're adding or start off with a preliminary plan where we check the general layout of the street, the lot layouts.

They're coming in with the actual subdivision, where they're actually recording the bounds for the lots, any types of easements, and then with the subdivision construction plan, where they're actually proposing the development of the city infrastructure that is going to convey the storm water from their development.

And so, one of the things that we saw was very important with that process is that we get a little bit more detailed with the actual development of the lots.

And so, we need to make sure that as they develop those lots that the intended drainage plan is carried through all the way through the building permit.

And so that is what you see in section c3.

>>> and then, the last part, d Jose, I don't know if you want to talk about waivers.

>> yes.

This is going to be an amendment to the city code.

And so rather than a variance, we didn't take the authority away from the director of watershed department to issue waivers to the regular detention requirements and conditions to those waivers, it's reflected in item d1 and 2.

>> initially, we thought, maybe part of the problem is waiving detention ponds and storm water detention ponds.

But, upon further learning, sometimes it can be a good thing to do, depending on where you are in the watershed, and sometimes it's not.

So this allows the director discretion to still be used.

And i think that the same thing in terms of under section b, when we're talking about the scope of the modeling that is going to be required for where the storm water's going and all.

The scope is going to be at the discretion of the director, too, because we don't want to, you know, predetermine what that is.

We want to use the director's knowledge to be able to identify what's really needed and what's not needed.

So, i think that's good.

And just for me, in terms of understanding this, just to summarize, i think that part b, when we're talking about the peak flow rates and the modeling, that's really about sort of how do we manage the watershed more effectively, whereas part c is more about how do we manage the flow and potential for flooding on adjacent and nearby properties.

So, we've sort of taken a dual approach of that, and, again, i want to just suggest that this isn't going to stop anyone from developing.

We understand that these are properties that are ripe for development and are going to be helping us to achieve the infill that we're looking at.

It's just that given that we are ahead of our infrastructure, i think it's just imperative that we provide some relief, or some structure, framework in place to help the folks that already live there to be able to embrace infill.

It needs to be done in an appropriate way, and i think this will really help us move along.

So, again, thank you all.

>> mayor leffingwell: thank you.

So, just a few minutes left.

I would like to discuss item d1, which is try to get everybody's ideas on how we're going to handle this mega agenda, 231 items at this point, with the very real possibility that we may be may not be able to finish on thursday night.

And so i'd like to get some input on we're not going to take any action, obviously.

But, on possibilities and, of course, availability of councilmembers on friday.

Councilmember martinez.

>> martinez: i certainly do understand that we could likely go into friday, but i think for me, i'd like to wait for a little while on thursday to see just how many items go on consent, and, you know, kind of how many speakers are getting signed up on certain items.

I think what we were trying to do this morning on the discussion items was be very, very transparent and clear, as we always are, about directions that we may head in with amendments so that that would kind of tamp down the speaker signup and long conversations. Probably the most intense one being the austin energy item, on today's agenda.

So, i'm somewhat optimistic, for whatever reason, that we can get done thursday night.
But, again, i think we probably should wait until we see what goes on consent, and just how many speakers sign up.

>> mayor leffingwell: i'm always optimistic, too.

>> martinez: really?

>> mayor leffingwell: i think flexibility is something we always like to have.

I know there are concerns with people who come down to the council meeting at 10:00 in the morning and wait for their item, and they're informed they've got to come back tomorrow.

I want to make everybody aware of that and see if you had any ideas of your own.

I'm perfectly happy to, as councilmember martinez alluded, to play it by ear and see what happens.

But i'm also open to other suggestions.

>> cole: i have a followup.

I agree with councilmember martinez, and i'd also like to offer that, especially in light of the golf item, i can continue to meet from 1:00 to 3:00.

And if we could continue today, if any of y'all are available to do that, i would be amenable to do that to simply go through i have a couple more things i'd like us to discuss, like the imagine austin comprehensive plan that i think could significantly reduce what we have to discuss on thursday, and give some idea to potential speakers about where we are headed, and may not have come.

>> mayor leffingwell: i'm not available from 1:00 to 3:00 today.

>> cole: okay.

I don't know who else could potentially no one can do that?

>> mayor.

>> mayor leffingwell: councilmember morrison.

>> morrison: so, i could meet, i think, until 2:00.

But i would get hungry first.

>> cole: i was saying, take a break from 12:00 to 1:00, and come back from 1:00 to 2:00.

If anybody could hang around, four of us, to do that, would make a big difference.

>> morrison: okay.

And just i could do that.

>> cole: okay.

>> morrison: from 1:00 to 2:00.

I would like to add to the mayor's comments, number one, i am available on friday except for over lunchtime is the only real commitment, although i think we have can in the afternoon, but, i could ask a proxy to come for me.

I agree, the flexibility is good.

As we see how things look in the morning, i would just ask if we're going to make a decision to kick some things to friday that we try and do that early enough, as early as possible, because mayor, as you said, some people come down and sit for 12 hours and then find out.

So, i think to be fair, if we could set a goal of making the decision before 12:00 p.m., or something, so people can know whether to come down.

Or maybe, i just saw four fingers raise up.

Maybe councilmember martinez is going to suggest make the decision at 4:00, or at 2:00, because we have zoning, too.

So, i just would like to be able to play it like that.

>> mayor leffingwell: there are 44 items on the zoning list alone.

Of course i don't have a good feel for how many of those are consent or postponed, to be postponed.

Mr. Guernsey may offer some insight on that.

>> greg guernsey, planning department.

If you like, i can give you my second guesses on what might happen on the items, just very quickly, if you'd like to go through them.

The items that staff believes, on your 2:00 agenda, that might have discussion, staff would offer items number 40 and 41 as consent items, but we realize council had a lot of discussion about these about flooding issues.

Those potentially you may pull as council and discussion.

Item 145, just so you know, we would defer to your 4:00 agenda, because there's a possible code amendment that may make that item go away.

Item 147 is springdale farm, and there was a meeting that occurred that did not reach consensus on that.

But, council may also want to talk about that.

Going on to the public hearing oh, wait.

Item 151 is a historic home that the owner has filed a petition of objection, so i'm sure there'll be discussion on that item.

>> mayor leffingwell: is that the red river?

>> that's the red river house, that's correct.

>> mayor, before greg continues, let me be sure that on all those items which are available for a second and third reading on the 2:00 agenda, we have closed to public hearing, is that accurate?

>> that's my knowledge.

>> mayor leffingwell: i believe so.

>> spelman: these are items we can discuss ourselves, we don't need to hear from the public.

>> tovo: since we've stopped for a sec, did the springdale stakeholders and representatives plan to meet begin before thursday?

>> i don't believe so.

I'll check and get back to you if they are, but, i don't believe they are having another meeting.

>> tovo: thank you.

>> on your 2:00 agenda, lantana is back for an amendment, citizens could speak.

The next one, a previous restricted covenant, folks could sign up for that.

Item 155 and 156, topless drive, related items.

We are aware there is opposition to those.

Item number 160, which is speedway, we believe that there might be a postponement tonight at the planning commission.

So that item may go away.

If they do act, it will be discussion when it comes to you.

And that

>> what about garza?

>> garza we understand is ready to go for consent.

If council would like to pull it

>> don't you think there might be some people signed up against that?

>> i guess you might have someone from sos.

>> you might.

>> mayor.

>> mayor leffingwell: councilmember martinez.

>> martinez: so, i think we could do a time check at 2:00, and then maybe at 4:00 again, since 4:00 is our last posting of time certain, and that's when folks will start to trickle in.

Hopefully we'll get a better understanding at the 4:00 p.m. Hour of how many speakers are signed up for the remaining items.

>> mayor leffingwell: those are good suggestions.

What i want to avoid is getting to 2:00 in the morning and saying, we've had enough, we're going to recess, so everybody go home now.

The other suggestion i would have is that we continue the practice that we've used pretty often the past couple of meetings, limiting public comment to 30 minutes on each side.

We'll plan to offer that.

So, folks out there, be advised that is probably going to be the case.

You might want to organize yourself into speaker groups.

>> mayor.

I feel a need to mention it would be ironic in a good way if on our very last meeting, we finally figured out how to manage our time.

[laughing]

>> mayor.

>> mayor leffingwell: well, you know, when you've got a lot of independent people in the room, including citizens, that's sometimes difficult to do.

And again, if mr. Goode can identify some more items that are premature, that would help us.

[laughing]

>> mayor.

>> mayor leffingwell: councilmember riley.

>> riley: if we're trying new things in time management, i wanted to ask about item 189.

I had had some requests about

>> mayor leffingwell: what is it?

>> riley: the amendment to the imagine austin comprehensive plan, and several people have asked about time on that.

That is set on the 4:00 agenda for public hearings.

There are several items in front of it.

I don't expect that we would get to it before dinner, but it would provide some assurance if we were able to set a time certain, say, 7:00, that people wouldn't need to be here for those several hours before then.

>> mayor leffingwell: if there are two councilmembers who want to do that, we can plan on that.

>> riley: 7:00, can we make it a hard time certain?

>> mayor leffingwell: that will make it the last item.

>> mayor.

>> mayor leffingwell: councilmember morrison.

>> morrison: i realize that there's sort of a lot of discussion about that imagine austin, and i wanted to let everyone know that i am working with staff who are working with many of the stakeholders on potential modifications to the language.

My goal is that we get to that item, and it's something that can be done very quickly.

I understand there's a lot of concern.

Just to let you know, staff is concerned about the concern, also, and is taking some proactive steps working with folks.

So, maybe people won't need to come down.

>> riley: a lot of what i'm hearing from people is they believe it should not be amended at all. Even if there is compromised language, i think there will be a number of people who want to speak in opposition to any change in the language.

>> morrison: okay.

Just to clarify, the time certain is not a hard time certain, it will be last on the agenda unless we do a different time certain.

>> mayor leffingwell: right.

>> morrison: great.

>> mayor.

>> mayor leffingwell: yes.

So

>> cole: i just had a question before we left imagine austin.

>> mayor leffingwell: it sounds to me like an item that is premature to me.

But, be that as it may.

>> riley: i did i was hoping we would be able to set a hard time certain on that item so we wouldn't have people waiting around all night for it, but, is there if there's not a if that's not the will of the council, i'll respect that.

>> mayor leffingwell: i really think that limits our flexibility, and it's also unfair to a lot of other people who could be out of there in a hurry.

You can't just bring them up with that.

>> mayor.

>> mayor leffingwell: councilmember spelman.

>> spelman: two questions.

The formal question, the 7:00, because this is the only time certain we've got after 5:30, does that mean that we have to look at everything else before we cover this, and this would have to be the last item we cover?

Or we just have to cover it after 7:00?

>> mayor leffingwell: after 7:00.

>> spelman: if it made sense at 7:15

>> mayor leffingwell: if there's a good rationale, we do sometimes take items out of order.

It's always a possibility.

>> spelman: a question for councilmember morrison on this item won't take a moment.

>> mayor leffingwell: okay.

>> spelman: i don't expect an answer right now.

The question for you is, since you're going to be talking to staff about this item anyway, one thing you might cue them to know about is, the question i'm going to ask them or you is, what practical difference does it make whether we change the issue in question or not to the instructions given to opticos and the other folks who are doing code next?

Is it going to matter, from the code next point of view, whether we change this or not?

>> morrison: good question.

I will make sure staff is ready to address that.

>> spelman: and if the answer is no

>> morrison: right.

>> spelman: which i think is the right answer.

>> morrison: me, too.

>> spelman: i will be a very happy person.

>> cole: maybe the mayor's statement is correct that this is premature, if the answer is no, and we can save ourselves a lot of time.

Why don't we just ask staff

>> mayor leffingwell: that's a distinct possibility.

Councilmember martinez.

>> martinez: along the same lines, that's the questions i had.

If this is a staff item coming forward, what is the impetus between bringing it now at the last council meeting?

Is it because we've worked on imagine austin the most, is that the logic?

>> development and review.

This is the annual up date.

We've been trying to get it on your agenda, i think in october.

We wanted do make sure that you had the opportunity to hear this as the annual up date.

My answer would be no, to the previous question.

>> mayor leffingwell: what is the previous question?

>> if there's a practical difference, if the language could change slightly.

All the priority programs are important.

There's not one that's more important than the other.

But we have to balance all of those when we go into code next, so, housing, water, all of those things are in context.

And there's items that are not proposed to be changed that actually speak to the code rewrite, i think on page 208, that are not changing that actually address compacting.

>> mayor leffingwell: okay.

>> i think we can work with councilmember morrison and probably get to a place where most everybody would probably be happy, and we're trying to work on that compromise.

>> mayor.

>> mayor leffingwell: is it the desire of four or more to come back at 1:00 and continue this meeting?

Raise your hands.

>> cole: i think i got the answer to my question from mr. Guernsey, that he would continue to work with the stakeholders, but, at the end of the day, it was going to be clear that there is really no need for these amendments to that they will not change the guts of what opticos is going to do, so that our need to consider this item on thursday is premature.

>> mayor leffingwell: okay.

>> cole: so it will most likely be postponed.

>> mayor leffingwell: councilmember martinez was next.

>> martinez: thank you, mayor.

I think that's the point i was trying to make, is if nothing is going to change whether we hear it thursday or whether the council hears it in january in terms of direction to opticos, in terms of language suggestions to the council, then i don't see the impetus of prolonging a meeting with an item like this, that i think is going to need more time than less.

And i realize this is the annual review, but we're seeing your suggestions and i don't feel uncomfortable moving it to the next council, if your direction is not going to change one bit.

If your language isn't going to change, it is still something you're going to come forward with to ask this council or the next council.

>> staff would certainly bring this back to this council, and if you elect, to the next council.

I'm saying whether the language changes or not, we still count all those priorities.

I think there is to some members of the public, perhaps, confusion by them that thinks that compacted connected is somehow getting a greater emphasis than the other priority programs, and i want to show everybody we're looking at all eight of them, and all the priority programs are given information and influence in code next.

So, i think the amendment that was proposed is one where it's trying to address that concern, and if council, certainly if you want to postpone this because you want this council, or the next council more time to discuss that, staff is certainly willing to work with

>> mayor leffingwell: i support mayor pro tem's postponement of this to the next council, since it doesn't appear to have any major effect one way or the other.

>> mayor.

>> mayor leffingwell: councilmember tovo.

>> tovo: i just wanted to point out the amendments that we're considering, first of all, there are others, as well, digital inclusion, strategic plan amendments, which was something that this council, councilmember morrison, and councilmember spelman, the others on the technology subcommittee have been involved with.

It makes sense to move forward with some of the work that this council has initiated.

The next one, an amendment to align imagine austin with the city endorsed school readiness plan.

That was an action this council took, we're amending the plan to be in accordance with something that we passed as a resolution.

You know, i think it's very appropriate and important that we consider these, number one, we've made a commitment as a community to up date our imagine austin plan on an annual bases, as mr. Guernsey pointed out, we are several months behind in making those up dates.

It's important to move them forward, and darn near every one of these amendments responds to something that this council has initiated, undertaken, and voted on.

The amendment that seems to be generating the controversy was initiated by the planning commission, and, you know, if there is a reasonable if that if some additional work satisfies the stakeholders' concerns, i'm not sure why we would delay important work that could be achieved here on thursday or friday, whenever it comes up.

>> mayor leffingwell: i think the question before us right now is, it's 12:00 right now.

Do you do any four of you want to come back and discuss this after a recess?

>> riley: well, mayor, i think it does warrant some further discussion.

I think

>> mayor leffingwell: i'm just trying to decide if four people are going to be here, i can recess the meeting.

If not four people are going to be here, we need to adjourn.

>> riley: i can be here at 1:00.

>> mayor leffingwell: okay, one.

>> i can be here.

>> mayor leffingwell: two.

>> cole: laura said yes.

>> i have a 1:00 meeting, but, i can be here at 1:30.

If you want to be here at 1:00, i can join row later.

>> i can be here from 1:00 until 1:30.

We will share a fourth spot.

>> mayor leffingwell: those who can be here at 1:00, please raise your hand.

Okay, that's four.

So, without objection, we stand in recess.

>> riley: mayor, for purposes of scheduling for the meeting on thursday, certainly it was not my intent to bump this item to the end of the agenda.

My intent was to ensure that we not take this up before 7:00.

And so i would ask, if we are going to have my hope would be that we would take this up in the regular course, but no sooner than 7:00.

If that's if we can't do that, i will withdraw my request for a time certain.

>> mayor leffingwell: well as i just told councilmember spelman, that would, in the regular order, the 7:00 time certain would put it last.

We do, however, have the latitude to hear items out of order, and we do it all the time.

So i'm perfectly willing to have that discussion, if you want to set a 7:00 p.m. Time certain, and we can hear it sometime soon after 7:00.

And that's the will of the council, i'm certainly willing to do that.

>> riley: that would be my preference, to keep it in the regular order in which it appears on the agenda, but no sooner than 7:00, was my request.

>> mayor leffingwell: okay.

I think i understand.

Without objection, we're in recess until 1:00.

>> cole: i would like to call to order this meeting of the austin city council work session, and we were going to discuss, i believe it's item 189.

>> right.

>> cole: the imagine austin plan and the potential amendments.
Council member morrison.

>> morrison: so well, i guess first of all, greg, you had just made some comments off line that if you could i think you made some comments about we do have the option of considering all but a subset of what's offered by staff.

>> greg guernsey, planning development review department.

If the council would like you could certainly go forward with the other four recommendations. You could leave it on the consent.

I'm not aware of opposition to the other amendments.

I think the only concern was expressed on the amendment to priority program no. 8, which is no. 5 of the amendments, and you could take the four and move them on and take a separate vote and either take action on that last item, no. 5, or postpone that to another meeting.

I just wanted to make sure that you were aware of that.

>> morrison: thank you.

And i wanted to since we have this time, if you all will so oblige me, i just wanted to give a little background about why we are here and why that even that amendment even came up, if that's all right, because my name is attached to it in that i talked to planning commissioners about it.

Richard hatfield and steve oliver specifically, because you might recall there's been issues on and off, and i've been sort of paying attention to them and staff has been very helpful on these things when i raise them, and that is there's concern i'm concerned because i see that and i think there's an underlying tension in the community that i started to see people equate compact and connected imagine austin with compact and connected and the power of imagine austin is it's so much morning it's about the broad set of vision and goals that we have for the community, and i saw those other ones sort of falling off the table and discussing in some of the focus we had by staff and focused and engagement with the community, and every time i would bring it up, it was great, we could correct it and all.

And if you look at imagine austin where we talk about the priority programs, you will see that throughout the throughout the priority programs, where it says where it says related city let's see, where it says related city initiatives relationship to other priority programs, they're all saying they're related to rewriting the land development code.

For example, when you look at continue to grow austin's economy by investing in our workforce, education system, entrepreneurs and local businesses, underneath there it says, revise austin's development regulations and processes to promote a compact and connected the city, create better rules for flex space and adaptive reuse to support small businesses, urban farms and startups.

So we have in the text saying that when we rewrite the land development code, we need to rewrite it with the lens of all the other values and priorities we have, including growing austin's economy.

So it was and i was just talking on the phone to richard hatfield about this, that in my view and he said in his view, this was an alignment of the title of priority program no. 8 with what was in the text already.

It was not intended to change the reality of what we were doing.

So to your answer and so what it's come to be is something more like a rehashing of an argument that's been going on for years in the city and two years under imagine austin about is compact and connected the most important thing that we need to do and everything else will fall out and happen if we just do compact and connected, and i think that's wrong.

I think that staff appreciate that we need like mr. Guernsey said, they're all important.

There's not one that's more important than the other.

And so what this big discussion in the community going on right now is really it's really that discussion as opposed to some language aligning the title of no. 8, priority program no. 8, with the rest of the text.

So i just wanted you all to understand that i brought it up, it was a conversation i was having with a lot of people, including the planning commissioners.

Those two commissioners took it to the comprehensive plan subcommission of the planning commission.

Those two commissioners took it to the comprehensive plan subcommission of the planning commission, they talked about it.

I had actually suggested some specific language.

They changed that language and what they recommended and what they recommended now in the whole planning commission is in front of us in the recommendation.

So we're sort of here in this funny situation where, yeah, there's an argument going on out there in the community, is compact and connected the most important, but fundamentally this is aligning the text.

So there you have it.

>> cole: council member spelman?

>> spelman: i wondered, greg, if you could remind us, or maybe remind yourself

>> is your mic on?

>> spelman: how is it that priority 8 came to be written the way it was?

Why does it say compact and connected?

Why does it not refer to all the other priority programs.

>> let me just explain.

The priority programs include invest in a compact and connected austin.

>> spelman: absolutely.

>> and so that was listed as we went through, and as you find on page 186 of the imagine austin document plan, you'll actually that had the most respondents, people really wanted to emphasize that point.

But there was a lot of discussion with the community, with the cag, even council, to arrive at these.

I look at this as being something that came from the commissioner, staff recommended it.

It was it was a clarification.

If there needs to be a tweaking of the ordinance, certainly that's what my staff is actually looking at, but we just wanted to recognize that the land development code amendment was really addressing everything.

So the language here is not just staff, it's not just planning commission, it's not just the group of 32 to 38 that we worked with over those years.

It was really compiling input from many different places to come up with the priority programs.

>> spelman: would it be inappropriate to assert that our intention all along was for the codenext process and for more generally a revision of our development regs and processes to make sure that our development regs and processes were consistent with the entire imagine austin plan?

>> that is correct.

To be that's correct.

>> spelman: okay.

That's what we're doing this for.

An important part of that is compact and connected, but there are other pieces of that too, and that whole revision effort is the whole thing.

>> right.

A sustainable manager water resources, [inaudible] of that, that's extremely important, and we're not (the sustainability of that) and we're not making that lesser to compact and connected or the other priority programs when we go forward with codenext.

>> spelman: i know i asked you this question before and you've already answered it but i'm going to ask you again on thursday, i think, because this is probably going to come up after some people whose names i'm almost sure i know are going to be appearing on our guest list, will demand this.

So let me be sure i understand the answer.

Opticos is working on codenext.

City staff are working on codenext.

Between the two of them at least we will have the next revisions of our land development code.

>> with input with the public and in the cag

>> spelman: from the public and a lot of other people.

>> that's right.

>> spelman: but you guys are responsible for creating the draft with lots of help.

>> right.

>> spelman: will anything be different in the heads of opticos or your staff in terms of developing that first draft, taking in lots of input, if we change priority program 8 to not just say compact and connected but to say to reflect all the priority programs in the entirety of imagine austin?

>> no.

>> spelman: so you're going to do exactly the same thing either way.

>> unless council gives us another direction, but no.

>> spelman: okay, this is not giving you another direction, is my point.

This is saying stay the path that you've been on, this is we like this path and we're changing the words to describe the path that you've always been on and expect to continue to be on.

>> that's right.

>> spelman: one important piece of which is and probably the most obvious piece of which is compact and connected because that's the one that's most closely connected to the land development code.

>> many of these pieces are connected together, housing affordability, managing of water resources

>> spelman: yes.

>> they're all related to compact and connected but they're each important.

>> spelman: i agree.

Thank you.

>> cole: council members, let me let you go, council member riley.

Go ahead.

>> riley: i'm hearing two different things.

>> cole: i am too.

>> riley: even from greg.

On the one hand i'm hearing compact and connected is one of eight goals and they're awfully equally important.

No one of those eight is any more important than any other.

On the other hand i'm hearing actually it all comes back to compact and connected and they're all tied into that.

We can sit here and argue about which of those we personally prefer and likely we'd never come to an agreement on that.

I have heard from the citizens advisory task force and i've heard, in fact, that this was a subject of lengthy discussion with the task force that came up with the comprehensive plan draft in the first place, and what i'm hearing is that the choice of wording was very deliberate.

And the message that they wanted to send was that compact and connected would underpin all of the other goals and that if you tried to just address all eight things at once, then you'd dilute the message down so much that that would be lost, that there was a very specific intent that compact and connected would be the theme of this comprehensive plan and by striving to be a more compact and connected city, we would advance the goals of sustainably managing our water resources, growing our economy and so on, that all of the goals would be advanced by us striving towards becoming a more compact and connected city.

But the the main the prize to keep an eye on in order to get there was compact and connected.

And that was what i am hearing from the task force is that there was a very conscious and deliberate choice.

And so it it causes me some concern, and i know it causes many people in the community concern that we at this point, right before this council leaves, that we would be diving in and undoing that very deliberate decision and saying, no, you're all wrong, that's not the way to go about it.

We think you ought to be focusing on every one of these eight on an equal basis and not give compact and connected any more significance than any other.

And so i question whether that would be appropriate to do at this time.

I also have questions about just the process of how we got here.

This is i understand that we have a package of amendments coming up as part of the annual report, and the first four of those make some sense to me, when i look at what the comprehensive plan contemplates in terms of an annual report.

The annual report is described on page 223 of the comprehensive plan.

It says the report will include projects and policies, including capital amendments, that were implemented in the alignment of those projects and policies with the goals of the plan, and annotated matrix indicating the implementation status and benchmarks of each priority program, the work program for the coming year, and then suggestions for updates to the comprehensive plan needed to respond to new issues and changing conditions for consideration by council.

Greg, when you look at that list of four bullet points, which of those four bullet points would you put this amendment under?

>> i think i'm looking at this is that what we've heard is that we've had citizens saying that we are emphasizing or deemphasizing the other priorities at the expense of compact and connected.

I'm not saying that necessarily these are coming in in a sense that it's definitely going to be our work program for the coming year or there's annotated matrix, you know, going through that.

I think it's one of perception, good or bad, that the public thinks that we are somehow not looking at water or not looking at some of those other things that are important.

So i see this as kind of a i guess a clarification of the policies that you have that are coming under imagine austin.

>> riley: so what you're saying is it's not one of the items that was contemplated as part of

>> but i don't think it's inappropriate for council to consider this.

>> riley: yeah, and certainly in the annual report we could have said, and by the way, if we have second thoughts about anything we said in this comprehensive plan, let's take another look at the comprehensive plan and consider changing it.

That's i don't see that.

That was not part of the idea of this whole [inaudible] process.

>> and i'll say if you were looking for one, it would be the fourth bullet, suggestions and updates, comprehensive plan, need to respond to new issues, for consideration by council.

I don't necessarily see this as a new issue, but i do see it as something council could certainly see as an issue because you have constituents that are raising that point.

My staff i talked with my staff this morning.

They've talked to many of the people that have written you, and my staff.

I think the concern is what you said, council member riley, is that there's a concern or a perception of changing it at the end of the year.

Not necessarily that the language that my staff is even talking with the stakeholders about is a bad thing.

They actually they think the language is good, as i understand what some of the staff's suggestion was, my staff coming forward, that may be different than what's in here but may be offered as a suggestion.

I think the perception is just this is the last meeting of the year and then council is offering some changes.

I have not heard of any objection to the other four, and as I said at the very beginning, if you wanted to pass out the other four on consent and discuss this one part or leave it for our next council, staff would be fine with that.

>> cole: I have a question about that.

You suggested passing out the first four on consent, but we have it currently posted for a public hearing.

>> right.

I'm saying if after hearing the public you could move forward on those other four, and then if there is a lot of discussion that council would like to have and would like to defer that to the next council, you could simply just we approve items 1 through 4, make that motion, approve it and then leave the next item, no. 5 for the next council to deliberate.

And you could even preface that, you know, as we bring this up, after staff introduces this, you could say we're only going to look at 4 and we're going to consider 5 for next year so people could limit their comments to only the first four.

>> cole: councilman morrison?

>> morrison: so I really appreciate staff's working with the community on this, and I would like to respect and hopefully encourage them to continue to work to see where we can get to on Thursday.

But I do want to ask, and I think it's appropriate to ask here, and that is to ask staff or my colleagues, I would like to know where anyone thinks it says in Imagine Austin that compact and connected is the underpinning and it is the theme of Imagine Austin and it is what it takes us to get there.

Because I want to know if it says that in there.

I don't believe it does.

And if there are people that think that that's that's what it says and are going to be thrusting this plan forward with that assumption, we need to get that straightened out, and if it is in there, the compact and connected is what holds this plan all together, I'd like to see where it is instead of just this suggestion and suppositions and this underlying tension of it's there or it's not there.

We need to get that out on the table.

And for me maybe we are not we don't have time to have that conversation and I think none of us are interested in spending our last month on council having that conversation, and if that conversation needs to be had, I think it would be a great one for the new council sorry, Kathie to have.

[laughter]

Because

>> cole: I was wondering.

[laughter]

Because it would be let's get the new council on the record.

And the other thing is there is and it would be a good maybe it will be a good introduction, welcome to city hall, welcome to our and getting engaged with the comprehensive plan, because that's going to be important for our new council to be engaged.

We can't have that conversation now.

I am very curious why that is understood to be a tenet.

But i would really like to as i said, i appreciate staff, they are working on some language that might not bring that up but still address the alignment issue.

And so that's why i wanted to see where we get to on thursday, but just know that i am not interested in a three hour hearing fighting about this, one topic.

>> cole: council member riley?

>> riley: just to respond, the page that we're talking about is page 186 of the comprehensive plan.

Priority program 1 says invest in a compact and connected austin.

Then there are six other priorities that are listed and then priority 8, the final priority comes back to that theme and says revise austin's development regulations and processes to promote a compact and connected city.

Language immediately thereafter after setting out all these priority programs, the language in the comprehensive plan says, the final program to revise austin's development regulations and processes is an important step to promote each of the above priorities and to protect all that has been identified as valuable in the plan.

And that you asked for the language that indicates that compact and connected underpins the other elements of the plan, and to me that's what that language is saying.

>> morrison: if i may respond, i'm thoroughly confused why that says that compact and connected is the theme of the imagine austin.

That's what i asked, and what it says is, in fact, that that program, no. 8, is to promote all the priorities.

And so if you're suggesting that that means that rewriting the code for compact and connected is going to promote all the other priorities, i don't understand why you're suggesting that compact and connected is the theme, the underpinning of imagine austin.

That's what was said and there's a difference between rewriting the land development code and imagine austin.

So i think that we have to be really careful here, because people are taking language, and i'm hearing this, you know, sort of expanding what we're talking about in so many different what i think is inappropriate ways.

Is compact and connected the underpinning and the theme of imagine austin.

I don't see that anywhere.

>> spelman: if one keeps reading, however, it says, as discussed in chapters 1 and 4 a compact and connected city encapsulates i'm not quite sure what encapsulates means, [inaudible] environmental protection and complete communities with easier, greener healthier transportation options leading residents to jobs health care, [inaudible] shopping and other destinations, which kind of gets in that direction.

But i really don't want to get involved in this argument any further than that other than to point out that, okay, somewhere i think there is there is some background for what it is that chris is saying.

Whether that's the underpinning of imagine austin or not is less important to me than that the people who are rewriting the land development code get the right message and that the people who are concerned that compact and connected is the whole thing also get the right message.

Yeah, it might be an underpinning from a logical point of view.

It might be a logical necessity for the vast majority of things we're asking for in this, but it is not the whole thing. The whole thing is the whole thing.

And the development the guys who are writing the development regulations and processes i think are getting exactly the same message regardless of what label we put on what it is that they're doing.

So i don't really care.

>> morrison: and i guess i would just say that i appreciate you pointing that out and i think that that one that one line out, and i think, you know, sort of this might boil down to do we think that building a compact i.e. Dense city is enough to do to be able to achieve housing affordability?

>> spelman: of course not.

>> morrison: right.

>> cole: of course not.

>> spelman: is it necessary to we can have this argument at some later date over a beer or glass of wine.

>> morrison: january 29 when we're seeing in someone's living room

>> spelman: we'll be attempted to throw them at the tv set.

At some point we'll have the argument whether it's necessary but [inaudible] is not by itself sufficient.

>> morrison: and the points here is we want to make sure we raise up housing affordability, standing on its own to be a lens through which we look to as we write the rewrite the land development code.

>> spelman: yeah.

>> cole: okay, i'll chime in here and say that i would look forward to january 29 being with you and laura.

>> morrison: excellent.

Excellent.

[laughter]

>> cole: just because i do think it's important to the community that we stick with what is currently written, and i actually remember the intent of what is written, like you do, council member morrison, that we do hold all those priorities in kind of equally, and with the same token of what council member riley is saying but there would be more discussion about compact and connected because it tends to relate to more of those priorities.

But to to some more of those priorities.

But i don't feel like this is a debate that needs to be rehashed on thursday, especially since our overall intentions are clear to staff and clear to the outside consultants.

Council member tovo?

>> tovo: i'll just chime in that as i see it, and i've seen i probably mentioned this before but i've seen the imagine austin plan from a variety of angles, as as a community member participating in the various discussions and then as a planning commissioner and then as a council member, and it seemed to me very clear throughout that process that the priority programs that were going to be identified were each each stood on their own in equal weight.

And so as i see this amendment, this clarifies that question in a way that's important, because it does seem that more and more compact and connected appears to be the driving goal that's constantly referred to, and we need to keep in mind those other ones as well.

So i don't see i'm not sure i understand that there are concerns, but i believe with the language adjustments that the staff is working on i don't think we're far apart in our thinking about these.

I mean

>> cole: i don't think we're far apart.

>> tovo: [inaudible] said is exactly what i'm saying.

Those were all those priority programs are necessary to achieve the vision that's expressed in imagine austin and if clarifying the language is necessary to make that clear, and i think it is, you know, i believe we should move forward and do so.

>> cole: well, that's where we differ.

I don't believe that we are that far apart to justify changing it on thursday, and that we can give the staff more time even then and council member morrison will continue to work with them to think about how to make the intent clear with the consultants and then next council can work with that.

>> tovo: i would say, given some of the emails i'm getting, certainly people out there in the community believe it should be the overriding goal, and the level of concern and the kinds of comments that are being raised by some individuals i think suggest that we do need to clarify, because they believe it does take precedence over the other priority programs, and that was not the intent, as we've all just, you know or several of us have just expressed, that was not the intent.

>> cole: well, i think we're on record in a public meeting of what our intention was, and if the new council wants to clarify that or change it or whatever, it will be their prerogative.

Any further items you want to discuss?

Council member morrison council member riley?

Are you still on that item?

>> riley: no.

>> morrison: i wanted to bring up item, i believe it's 217, it's the auditor ethics commission, and i two comments

>> [inaudible]

>> morrison: never mind.

Never mind about that.

>> it's an addendum item.

>> morrison: let me get a different one with a shorter smaller 57.

I want to make a comment about that.

That's the cedar park purchase of the city land, and i had been asking for information from cedar park and staff about environmental protections, and i just wanted to let everyone know that i got that information, and i walked through with our environmental officer, and i am fine with i have no objections, i'm happy to have that sale go on consent.

And i just wanted in case anyone was curious, i just wanted you all to know.

>> spelman: you just saved us a bunch of time.

>> morrison: really?

Oh, good.

>> cole: anything else you got brewing over there council member morrison that we can just [laughter]

Is that it?

>> morrison: i think that's it.

>> cole: is that it?

All right.

Any other comments or questions?

Okay.

This meeting of the austin city council work session is hereby adjourned.