

Economic Opportunity Committee Meeting Transcript –4/13/2015

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>> Troxclair: Hello and welcome to the April 13 meeting of the economic opportunity technology innovation and creative industries committee. It is 2:11, and thank you, everybody, for coming. We are going to start it with the approval of minutes from our March 23 meeting. Then we will have a staff presentation in order to follow up from the questions that were posed by council members at our last meeting. Thank you for your hard work in making sure that that information -- that you compiled that information and had it to us by now. As you all know, the focus of this committee is the economic development and the public hearing for this item has been closed, but we do anticipate healthy discussion between council members and city staff, and as always, please feel free to -- if any members of the public would like to submit written testimony or reach out to the council members individually, that would be great. Then we will move to the contract issue of the airport, visual display systems, and finally, touch on an rfp for research on Austin co-ops. Do you all have any questions before we get started? All right. Is there a motion to approve the minutes? >> So moved. >> Second. >> Troxclair: Okay, moved by council member Houston and seconded by council member pool. And -- >> Go ahead. >> Troxclair: All in favor of approving the minutes? >> Aye. >> Houston: Aye. Any opposed? All right. Okay. That leads us to the staff presentation on item no. 2.

[2:13:22 PM]

>> Kevin Johns, director of economic development. Thank you very much for inviting us here today. I hope you've had a chance to -- over the weekend to look at the tome. It wasn't intentionally this much information. So what I'm going to do, I know you'll need time to think about it, but we tried to respond

to your questions by documenting as much as we could on the conditions in east Austin. And so I'm just going to walk you through the -- how we summarized it, what we have, what we don't have, and then that will give you more feedback to figure out what it is that you're trying to accomplish, if this has to do with commercial stabilization, if it has to do with affordable housing. Then maybe we can have a conversation so that we can provide you more information. So if -- if I can just start by going over this document -- I don't know if the citizens have it, but it's a summary of the -- evening the ten questions. The tabs -- the first four tabs dealt with questions that were from the planning department, that was planning department information, and real estate department. So we contacted both of those information -- both of those departments. The committee was looking for maps of zoning designations in east Austin, particularly commercial. Commercial properties. It was looking for listed by itemized name, use, time and business, the type, educational structural and government service establishments. It was looking from the planning department -- or from -- yes, the planning department, distinct -- a distinction between operating and vacant properties, and it was looking for the identification of city owned

[2:15:22 PM]

property in its current or proposed use from the real estate department. So you'll see in tab 1 we've done our best to document what information was available and not available. So in the case of the planning department, the planning department was -- was pretty helpful with the zoning designations, and you can see in the commercial properties what is listed. What they were not able to distinguish, however, is there's certain information that's just simply not collected, and that has to do, the itemized by name, time and business, residential totals, educational, infrastructure. And the distinction between operating and vacant properties. But they were able to give us a good starting point. So this will give you a good feel for how we could go forward. The last on that first tab has to do with the office of real estate, and there was -- there was a request for city-owned property and current or proposed uses, and that information estate office. But I think that -- my impression is that your goal is to find out where there's vacant city-owned property so that we can investigate whether it can be redeveloped for a purpose that would help revitalize our rebuild the neighborhood. So we'll talk to the real estate department, but they -- they do not have that information. Under tab 3 -- or excuse me -- >> Excuse me? Council member Houston has a question. >> Excuse me, Mr. Johns. Was I clear that you all don't have a record of what the city owns as far as property east of -- in east Austin?

[2:17:22 PM]

>> The economic development department does not have that. >> Okay. >> The real estate department has some of it, but they're not able to release it. So we've requested this information from the real estate office, and they're not able to provide the information at this time. >> Is it because it was asked for at a short -- the time period that we asked for it was too short? >> No, I don't think so. I think it has to do with proprietary data, but I'm not -- I'm not really sure. >> That's very interesting that we don't know what property we own. >> Well, I think they do have an inventory, but I can't tell you why -- why it can't be released. >> Is there someone here from the real estate department who could further elaborate on that? Or legal? No? >> Troxclair: Do you know if there's someone here for the -- >> No, I don't know -- there is somebody -- I'm sorry. >> And I have a question. >> Troxclair: Okay. Well, if anybody out there is listening or can answer that question, we would appreciate it. [Laughter] >> Houston: And madam chair, if that is the case, then I'd like to have it put on the agenda for the next meeting to help us understand why we can't know what the city owns as far as property. >> Troxclair: Absolutely. I'll make a note of that. And I just want to make a quick note, I understand that the entirety of the material that you're going over right now will be available on-line tomorrow. >> That's correct. >> Troxclair: So if the public wants to access this information. I know that you all did a really great job of trying to organize all of the departments and get all of this compiled and to us by today, so I appreciate you doing that as quickly as possible, and also making all of this information available to the public.

[2:19:22 PM]

>> Thank you. It is the economic opportunity committee, and so we want to do our best. >> Troxclair: Council member pool. >> Pool: Mr. Johns, you said the city of Austin owned land on the east side wasn't available. Did you do a -- do you have information on the land types that's not city of Austin owned on the east side of town? >> The planning department -- this particular group of requests has to do with requests from the planning department and from the real estate department. So we did request the information that was -- that was in the questions from the committee, to both the planning department and the real estate office. And so we have been able to submit to you only that information that we were able to get from the two departments. So we believe that the -- some of the information is available. Some of it has simply never been collected. >> Pool: Do you have an estimate on what it would take for the city to do that kind of an inventory? I'm assuming that we have that sort of inventory information for other parts of town, but maybe just not on the east side? >> No, I believe that it's a question citywide. I think that when you do -- speaking as a city planner, of course we have the future land use maps, and within that we have an inventory of what all the land uses are. And then we have a geographic information system so we can see what is in every location. And I think that information is available. The same thing, we have a zoning map and we have what those uses are today, so we have future land uses, we have existing land uses, future land uses and then the zoning. Those information maps are available, but I think in terms of quantifying it in a way that you are looking for to make it meaningful for redevelopment, I don't think that is available. So that may require further discussions with the planning department, the real estate office to

[2:21:23 PM]

understand what you anticipate it to be used for, and then we would ask them to -- or you could ask them -- we could do this together, to see what kind of in-game, what was it that you hoped to achieve the information -- what is the purpose, if it's rebuilding an area, if it's putting more infrastructure in, if it's taking the adaptive reuse of vacant properties, and then I think that they would be -- they would be very happy to help you calculate how much time and energy it would be to assemble the information. But it's not in the form that I think you're looking for. >> Pool: Okay. Okay. I know at the last meeting, at the first meeting of this committee I had asked what sort of efforts had been undertaken to do some community and economic development type of planning on the east side, and it's never been done in a large way. So I do think we should have those conversations with you and the real estate office and the planning department to talk about getting the baseline maps in place so we know what's out there, if we do move forward as a city with the kind of organized and systematized view of how we're developing on the east side, then we'll definitely need that information. >> I think that would be a very good conversation. I think that we all agree with you that it's very important to redevelop those areas that need to be redeveloped, and so we need the base data to accomplish that, and I think that's what you're looking for. So we want to provide that. If you're looking for the type of detail that, for example, is in the Mueller development plan, that's why I attached some background information on that, but for the -- for east Austin, then as you can imagine, it will require really some more thinking of how we do that and how we target those areas. So I think it's a very good goal. We just have -- we need a little more time and a

[2:23:23 PM]

little bit more interaction with other departments to help kind of capture the intent that you're looking to do. >> Pool: That sounds good, and it is a long-term conversation. >> It's a long-term conversation. >> Pool: That I think we would like to have and to do it carefully and systematically. So that probably would be one of the first steps we would take. Thank you. >> So the second tab -- I won't belabor the point, but the second tab has to do with questions that were more directed to the economic development department itself, and a list of projects spanning the last five years and documentation on those. And so we of course were able to provide you that information. Tab 3 was a list of all incentives, either solely provided by the city or partnerships with the city, as well as incentives from the private industry known to the city of Austin, and a list of the top programs and projects that have or will be put in place for the areas, for east Austin. And so we did assemble that information for you, and I think it's pretty comprehensive, and I think you'll be pleased. Tab 4, which is the last tab, provide -- which your question was to provide a brief summary of census tract characteristics for the entirety of east Austin. We were

able to work with the city demographer and our department and create the information that I think will be available, for example, the unemployment rate in east Austin is over 9%, where the city's rate is 3.4. So there's that kind of information on poverty as well as unemployment that will be helpful. So in summary, this document is the first step at providing the baseline data that I think you're looking for to get a better handle on where do you start in east Austin.

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>> Troxclair: Council member Houston? >> Houston: I'd like to thank you, Mr. Johns, for all this information. As you can tell from Friday to now we've not inwardly digested it enough so that we could be able to -- at least I have not been able to inwardly digest it to the extent that I would be able to ask questions, but it's a lot of information and we want to thank you for that. >> Thank you very much. We tried to not write it in governmentese, but in a way you have to just because that's the nature of it, but I'll be happy to answer any questions after you've had a chance to read it. >> Troxclair: Okay. Thank you so much. Next I believe we have a staff presentation on item 3. >> Good afternoon Kevin division manager for the enterprise fund for the parks and -- I'm here to discuss the Walter E long golf course proposal, it includes to construct, manage and maintain a public golf course property at Walter E. Long park. Includes no city of Austin funds. The cost of the development is estimated between 25 and 28 million of private development funds. Just to give you a quick overview of the site that we're talking about, the outline in red is approximately 735 acres. You see the Travis county expo center to sort of orient you with where the parkland is. The focus of this being that the 735 acres that's being proposed within the rfqs, the developer anticipates that the two courses and the short course and the infrastructure associated with that would be on approximately 400 -- 450 to 500 acres. The fence in the upper right-hand corner surrounds three sides of the property.

[2:27:40 PM]

Long-range plan that was developed after the purchase of the the purchase of the property of Walter E. Long in 1965, a long-range plan was developed with lots of park purposes, included two golf courses in 1968. Plan was re -- was revised in 1978, and also included golf courses at the time. The park -- the total park consists of about 3700 acres, which includes the lake itself. There's currently about 1400 acres of undeveloped land. Several things that have taken place on the park. There are some fishing piers, boat ramps, gun range. Fishing is very popular at the lake itself. For a long time we've talked about opportunities at the park. Lots of things came up in discussions. Golf has been one of the focus points since 1968. Lake is very well known now for fishing. Lots of bass boaters frequent the lake on a regular basis. It's a great place for birding and boating. We've had some discussions about rowing competitions

on the lake, small sail regatta, expanded birding, walking trails for re-expansion, and connectivity for cyclists. We also believe it's a great place for golf. Whoops, sorry. Start of this process probably a year ago, really, when we kicked off this process in discussions with the developer. The developer did approach us, the city and the parks department, about the possibility of constructing golf courses. That was identified in the long-range plan. We started with some community outreach back in may of 2014. Throughout that process we've come to several boards and commissions, had more open community engagement. We had a speak-up Austin that was on-line, lots of different opportunities to talk about the opportunities of the projects. We did decide to issue an rfqs to determine other potential interests as a golf course. We did issue that. There was a competitive solicitation and we did select Decker Lake Golf. What came out of the community priorities from the start really to date has

[2:29:41 PM]

been economic development, focusing on job creation, commercial and retail development, grocery stores, restaurants, improvements to existing parks, largely focused in district 1, continued public involvement throughout this process, an increase in programming opportunities and protect the natural resources and minimize any environmental impacts. Decker Lake Golf proposal itself is to construct two world-class golf courses, extensive practice facilities, corporate meeting space, food and beverage services would be included. Other public park amenities and trail connectivity is part of this, nonprofit operated short course would be also included. A proposal establishes an area on the northwest side of the property for land with waterfront to be utilized for other park uses to be determined. Some of the ideas that have been discussed in the community engagement process for that land and other uses within that park footprint are the 735 acres was for a community garden, nature camps, an expanded picnic and fishing piers. What we would expect out of this project -- project, we've been talking recently about a PGA tour event that would be hosted potentially on this site. The World Golf Play Match Championships is committed to come to the city of Austin in 2016. That brings the top 64 players in the world. Along with that lots of interested golfers, of course. There's additional benefits, though, to this -- that we have been talking about. The community benefits with the short course and the nonprofit component that brings \$10 from the nonresident fees to district 1 improvements for the park. Other park uses or possibilities we've been talking about the meeting spaces and special events and trying to work towards connectivity for walking and cycling. From a job aspect, the job opportunities associated specifically with the golf course itself would lead to 168 construction jobs in the first three years, 113 construction jobs with the second phase, which is approximately five years after the first course opens, 35 permanent jobs are expected and operations in

[2:31:42 PM]

year 1, bringing a total of 50 permanent jobs through the construction of both golf courses. We asked -- the developer is committed to focusing on hiring within the adjacent districts and interview opportunities for district 1 applicants are specifically mentioned in the contract. We believe it's an acre for future development, especially commercial use. You've received a letter at council that is a commitment from the developer who has adjacent land to construct a hotel on adjacent property to the golf course property itself that would lead to potentially 500 jobs. Talk a little bit about the economic impact of this -- the venture in the first ten years, estimated ten-year direct and indirect spending would be about 334 million. Of that the direct construction costs spending would be about 28 million, payroll for operations 23 million, the direct expenditures off the operations in the first ten years would be about \$70 million, visitor spending is anticipated to be \$209 million. We believe that the commissions that will come from both commissions in tax -- tax estimated to be about 14,620,000. We had some questions regarding how we came to the proposed commissions, the percentage of the gross revenues that have been talked about. Pard has got contracts -- we'll talk about in a minute. They're all over the place. The average is usually close to 10% on commissions that are paid to the city. We started lower on this particular agreement because of the capital outlay that would be expected by the developer versus what's typically expected from most of our other license agreements that we have. In most cases we actually invest the dollars on the front end, and that operator comes and operates the facility for us and pays us gross revenues. The percentage of the revenues does increase, or the percentage of commissions that does increase with revenue generation. It really gets to where our average rate of 11% would be in the first ten years, or on the 10th year. And then '16 through '25 it remains close to 11%.

[2:33:43 PM]

Then year '25 and beyond would be closer to 12%. Focus of that would be is that we're trying to get most of our contracts to 12% as we continue to negotiate. Once again, I mentioned the fact that there is a capital outlay of this, and estimates currently are 25 to 28 million for the investment. We really wanted to focus on them succeeding on this project, if we do move forward, fronting the percentage on the front end of this contract, where it was a high percentage and they are losing money as they're trying to pay for the capital outlay, would not be a healthy model for anybody, and we want to make sure that they are to succeed. Talk about the commissions in the first ten years, but really the commissions ramp up significantly in the second ten years. After the first 20 years it's anticipated to be 18 million. >> Troxclair: Sorry to interrupt, council member pool? >> Pool: I need to ask you a question. You were talking about fronting on the finances. You said we would front on the finances. >> The developer. When you say the finances -- I'm sorry -- >> Pool: Let's back up just a little bit. >> Okay. >> Pool: You were just now talking quickly about Numbers, and I have a lot of questions to dig in on the reality of these Numbers. >> Okay. >> Pool: But what I heard you say was we were very interested in making sure that this project succeeded, so we were going to front-end the finances. Could you -- >> Sure, I'll -- >> -- Substitute out nouns for the pronouns. >> I'll clarify, yes. What we focused on when we came -- >> Who is we? >> We is the parks department contract management and purchasing. When we

came and sat down after the solicitation was -- we had selected a group, and we came to talk about the contract itself and how it would move forward. We sat down as staff and decided, they had a proposal, they talked about the commissions. We -- it was actually lower in some places and higher in others. And so we really wanted to focus in on making sure that as this project started, in the front end of their

[2:35:43 PM]

capital outlay, the capital investment, that the percentage of commissions was lower so that they had a chance to make those revenues invested in on the front end so that they -- they weren't losing money. And if the project and their proposal started losing money on the front end of this, then it would potentially not work and then they would have to pull out of that. >> Pool: So we, being the parks department and the city administration, was making a decision on how to subsidize this -- evidently you assume there was a level of risk involved in this proposal, and so you decided to ensure sufficient subsidies through a financing scheme to ensure that this succeeded as opposed to standing on its own legs, it sounds like to me. >> I would disagree with that in the sense that what we wanted to make sure we did is we started knowing that the percentage was lower on the front end, but it decreased throughout the condition, and if they're successful and their revenues generate out of the gate, like the potential could be, then it goes up. I mean, it goes up quickly. So it's based on the actual revenue generation. >> Pool: So real quick on your revenue generation topic, in the first ten years how much money comes to the city through this project? >> About 4.8 million, I believe. >> Really? >> Well, it's 14 million is estimated between the ten years' revenue to the city as far as sales tax, commissions, indirect tax on the sales, sales tax on construction is another 112 -- >> Pool: I -- I have questions about that, serious questions about that, and I have some documentation that Brian Rogers has prepared. And maybe a little bit later we might have an opportunity to get a little bit of balance in the presentation to show maybe these Numbers are not what they appear to be. I'm showing a first year revenue to the city in 2018

[2:37:44 PM]

of just shy of \$130,000 to the city. >> Right. And if I could perhaps go through the presentation and if we want to go back to this particular -- because I think it's going to be important also, if we're going to bring up others, the developer can probably explain some of the Numbers better than I can, because I don't live these Numbers for sure. I've been involved with the project from the get-go but I don't have them all memorized. >> Pool: I understand that and I appreciate that. I just wanted to make the point that you're talking about we were trying to make this project work, and I do take exception to that, because it isn't the city that's decided to do this at this point. It is a department within the city that has gone to

this extent, spent a lot of time and a lot of money on preparing this, and the council has never said yes to this. And so I would -- I would suggest that maybe rather than talking about how it seems to be a done deal, that you consider the words proposal or staff was involved. I want to be really clear that this council has not approved this project. >> Absolutely. And my only comment to that would be is when I do speak of we, we are trying to work towards partnering on the contract to move this thing in the direction to council so that council could weigh in on that and have all the information that it needs. So we -- >> Troxclair: Why don't you go ahead and finish the presentation and then we can ask questions. >> Sure. >> Troxclair: Afterwards. >> So the annual commissions are anticipated in the first 20 years to be approximately 18.8 million. That does not include the PGA tour event associated with this. The license versus lease agreement, we've been talking a lot about the numerous questions surrounding the agreement versus a lease. We did put this together just to sort of talk about the main points about license versus lease. The city may terminate the -- the focus of that is the city may terminate without cause, is part of the license agreement versus the lease itself, where that wouldn't be the case. And enter into an agreement with the city without a

[2:39:56 PM]

referendum, is obviously a different -- a difference as well. We've had some additional questions focused on the surrounding project compared to the proposed hotel and the conference center that was associated with the 2000 project. The focus of that of course was that there was a hotel and golf course proposed on parkland. The hotel being not a park purpose, and therefore it did require a referendum. The license agreement itself is -- we have two golf courses, there's a park purpose because it's golf. We consider golf to be a park purpose. We have similar contracts that we've been asked about, and the most -- probably the closest thing that I have in golf especially is -- it's called a tejas golf agreement, in which case we have a driving agreement that's located on 36 acres, that the developer at that time put in all the infrastructure, 100%. There is no cost associated to the city for operations or construction of that contract. It's a 35-year agreement with three five-year terms for extensions. It's a very similar type of agreement. The difference there is it's a lump sum that they pay annually per month, about \$17,000 and then they pay 6% of revenue over \$100,000. Asked about similar types of projects, we did some research on different types of PGA tour events and we are focusing on the potential for the PGA tour event as well as just the golf course and the hotel itself. Some of the lower end on economic impacts that have been seen by various different report sources is between 8 and 9 million, all the way up to \$220 million annually for economic impact. One of the courses that we really focused in on was the waste management Phoenix open in Scottsdale, Arizona. There was a significant change that really took place. Picture you see here is from 1997. Very little development there other than residential and one resort community. Since that time they've had significant develop out between commercial, residential. They've got the promenade mall, which is a very large mall and dining centers, two additional resort hotels -- or two additional resorts and three hotels, large theater, three different grocery stores have come along with this project,

[2:41:56 PM]

target, a family medical center, banks, plenty of fast food have come along with that. Talk a little bit about the economic impact of golf itself. There's been a lot of discussion about the golf economy or the collapse of golf, as some have said. You can certainly find both negative and positive articles, if you want to do some research on where golf and the stability of golf is. I would say that it's the -- the golf is far from the sky is falling, that some of the media outlets and industry pundits really have talked about, portrayed over the last 12 months. Golf as a whole is about 25 million in the nation that are playing golf. That number has been pretty steady over the last three years, it's gone up and down slightly. It represents about 8 1/2% of the population that play golf nationally but closer to 10 and a half% for central Texas. I think it's important to know that the impact on golf itself in the region is also very important, and the direct golf economy was approximately 4.2 billion in 2012 according to golf 2020 and Sri international. Its total economic impact is 6.2 billion. Texas golf industry supported over 80,000 jobs and came up with 6.2 billion. Seven major events which generated over 106 million. Golf-related residential construction which totaled 208 million, and the golf premium generated by sales was -- for 200 golf communities was 76.8 million. And I think the thing we keep talking about with this particular facility because of the type of golf course they're proposing to construct, it would draw significant tourism, which golf grew, day trippers in different parts of the state spurring 1.25 billion tourism spending. Been talking a lot about east Austin and what is potential or -- been proposed for east Austin. The areas that you see in yellow with the exception of the colony park and even in colony park there's lots of expansion that's been discussed around the park itself that hasn't taken place, some of it has. A lot of the area, though, that you see in yellow on

[2:43:57 PM]

the east side of sh-130, which is that road that runs through the middle of that -- to the east of the park itself, the proposed area, is development that's been talked about over the last 15 years but very little of it has taken place. Little area that you see where it says 57 acres of the proposed hotel, would be the hotel that's adjacent commercial property that would potentially house the 500-room hotel next to the golf course itself. Lastly we'll talk about pard supports the project really because it's more than a golf course as far as we're concerned. It's a destination type golf course, which targets a different golf market. It offers an economic driver to this community. Lots of different economic benefits that we see to the community itself. And the economic impact to this area and the city as a result of the project, the hotel and the PGA tournament is going to be significant if it does move forward. The result of this development will be an immediate economic impact to the area and the city. It will also help to grow golf participation. The site is in a perfect location to host major golf events, especially considering the

proximity to sh-130, airport and expo center. We believe this project will help the golf fund itself by keeping fees lower at the other city of Austin golf courses. We believe that the parks will benefit from this through their -- the giving in the district 1 park improvements for the nonresident fee. I think it's important that we keep talking about the fact that we have asked for funds within the parks department to improve Walter E. Long park. It hasn't been something that has been funded in most cases, and honestly, I think our parks director would attest to the fact that the location where we're talking about, where we have the fence around three sides, if council is giving -- was able to or the voters were able to issue bonds to improve the park at Walter E. Long, it really wouldn't be focused in on the area that is fenced in. We have a lot of need within the park that's already been developed with improvements that we've had to cut back on as far as service, and as far as condition, that needs

[2:45:57 PM]

to be upgraded. So funds need to be -- need to be allocated for Walter E. Long but it really needs to focus in on the area that we already have infrastructure in place. So it probably wouldn't be focused in on that area if it was prioritized. We have a great opportunity, I think, to partner with this developer, and not only improve the park but have a positive impact on the surrounding community. The project will not solve everything, certainly wrong with the economics in east Austin but I think it's a right step in east Austin as far as the parks department. With that I'm sure you have questions and we have staff from various different departments that can answer questions. Thanks. >> Houston: Thank you. . >> Troxclair: Thank you. Council members? Questions? Council member pool? >> Pool: I have a number of questions that I wrote down and then I would like to invite Ryan Rogers to come up and talk a little bit about some Numbers that he came up with. >> Sure. >> Pool: You mentioned speak up Austin. >> Troxclair: I -- I'm sorry, the public hearing has been closed, and I know that we do want to have -- like I said, a robust conversation between council members and city staff, but I worry if we're inviting certain members of the public to testify without providing that opportunity to everyone, that that's not fair. And I do want to preface all of this by saying -- [applause] -- It's not my intention, or I believe the intention of the committee, to take a vote on this today. I think our first meeting kind of set up our questions. This meeting allows us to get answers to those questions, and my plan is to then take this item up for action at the beginning of the next meeting. So if there -- if there is a way -- Mr. Rogers, I -- I did see the presentation that you sent to all of the council members, and I appreciate you providing us with that information. I'm happy to schedule a meeting with you to talk more, and I invite you to reach out to the other

[2:47:58 PM]

council members as well. Is there a way that we can possibly ask these questions in a way that would not require us to open up the public hearing? >> Pool: I think I'm able to ask Mr. Rogers specific questions related to the document he provided to us. Is there -- (voices in background). >> Pool: Excuse me. >> Troxclair: I'm going to need -- is there someone from the city's legal department who can -- it's my understanding that the public comment for the public hearing was held in November, and we did not post that we were going to take public comment at this meeting. >> I apologize, I don't have my blazer on right now. We are not posted for public hearing. You are able to ask questions of anybody that you ask -- anybody you want to, within your discretion. So that's up to you to decide. >> Troxclair: Thank you. >> To clarify, it's not a public hearing, but you can seek information. >> Pool: Thank you. [Applause] >> Troxclair: Do any of our other committee members want to weigh in on the situation that we're presented with? Clearly, although I understand that council member pool has information that -- or questions that she wants to ask to one person, we did not post that we were going to be taking public testimony and we clearly have many other members of the audience here who, if we allow one person to testify, will want to testify. I also want us all to keep in mind that we do have -- we only have this room reserve until 5:00 P.M. Today. So we do have time constraints as well as a few other items to consider. Council member Casar? >> Casar: I didn't come prepared to does this question, so I'm thinking about this here on the fly. I think, you know, in our other committees we have been pretty open to the

[2:49:59 PM]

standing procedure for council of being able to ask questions of those in the audience, and I think if any council member wants to hear from anybody that's here, I would be open to that as long as we keep it quick enough so that we can be done on time. So I'm -- you know, I think that at the discretion of the committee, you know, you can ask questions of whomever you wish that's present. That's my preference, but since this is the first time we're handling this in your committee, of course, I defer to you as chair to make that sort of call. >> Houston: Madam chair, I was going to say the same thing. I think we have to, as policy makers, understand that when we post something people come either prepared to have comment or not prepared to have comment. And when we make exceptions for one, then we need to make exceptions for all. And I see us as deviating from that because it was not posted for public comment. And so if we begin to ask questions, then that means everybody that came not prepared to speak, somebody also needs to ask them some questions so that there is a balanced approach. [Applause] >> Troxclair: Okay. Council member Houston, I tend to agree with you, and we did put on the posting that we had -- that the public hearing was closed, so council member pool, I -- is there a way for you to discuss this information with -- between the staff without us opening this up to members of the public? >> Pool: I do have questions for staff, and -- >> Houston: May I add something? I'd be happy to speak with Mr. Rogers when he would like to talk to me about that, and I'm sure other members of the committee would as well. >> Pool: And I'll also have time on the open space environment and sustainability committee meeting on April 29, 2:00 in the boards and commissions room, we'll have an opportunity to have citizen communication, and we will

[2:52:00 PM]

also have a discussion item, and I will take community input. We will also be looking at a constrained period of time for that meeting as well. So we will have some time limits, but I'll ask some questions of staff right now and then we'll have a fuller exploration between now and April 29, and probably after that of the good information that Mr. Rogers has prepared for us. >> Troxclair: I just want to make a quick note. The agenda for this meeting was also posted without general citizen communication, which I understand normally occurs at the beginning of the committee meetings. Our first committee we didn't -- I don't believe we had anybody sign up for general citizens communication, but I will make sure that citizens communication is posted for our next meeting so that -- I believe that it's generally limited to five -- five people, three minutes per person. So I will make sure that there is an opportunity for members of the public to come speak on any item at the beginning of next meeting during general citizens communication. >> Pool: Okay, and I'll make the questions quick. Kevin, you mentioned early on in your presentation, speak up Austin, and do you -- you probably don't have all of the results in front of you, but I'd like a breakdown of what the comments were that came through -- >> I'm sorry, they're still on-line. But we can send you the link or print out the comments for you. >> Pool: That would be great, and provide it to the committee. I see that we're still looking at 35 jobs from the golf course, so that hasn't changed. I would like to see staff give me a dollar estimate for -- with 35 jobs, what is the -- the cost per job for the city to front-end the finances on this project. >> Help me understand that. Can you say that one more time? >> There are 35 jobs offered from the golf course, after the first five years I think there are 15 more, for a

[2:54:00 PM]

total of 50 jobs. Those are the Numbers we've been told a number of times. I would like to see what the city's investment is in those 35 or 50 jobs, the amount of money that the city would put into this project, divided by the 35 or the 50. I want to know how much the city is paying in underwriting the jobs. I know you're going to say the city isn't putting any money in this at all. The city has already put a significant amount of money in for all the work over the last two to three years on this proposal, because this has actually been in front of the city for longer than -- than a year, as I recall -- and so the amount of money the city has already invested in this program, plus the amount of money that would go into supporting this golf course in the first years before it starts to turn a profit or to pay any dividends to the city. >> So I think the confusion may be that the city's investment for time would be the time that staff has spent, whether it's purchasing or contract management or legal or whomever those -- pard or -- the staff that goes into developing an rfqs, evaluating an rfqs, discussions with the developer after council in November sort of directed us to sort of go continue to negotiate that agreement, that that's the -- that's

the -- you want to know about the amount of time that's been spent on that process? Because I don't think we tracked that, is my point. >> Pool: Okay, well, we can talk about it a little further. Where I'm going with that is we're talking about 50 jobs and the city is putting in a certain amount of money to forward this proposal. >> And we are not -- when you consider dollars that are being invested to hire those staff or to pay those staff for the operations of that golf course, this is on the developer. There is no dollar that comes out, wages for --

[2:56:01 PM]

where we're compensating them or we're -- >> Pool: That's fine, and we can dig into it a little bit further later. I already asked you about the fronting on the finances. You said at a pard golf meeting last fall, we're running 35% to 40% at capacity on existing golf courses. I'd like what the impact on existing golf courses, having two more golf courses. I think the state of Texas indicated there are 24 golf courses either within the city limits or Travis county. 24 golf courses. >> I think there's probably -- that's probably a pretty close number. The statement that I would have made back in -- several months ago would have been related to the comment that we don't really need \$20 golf courses. We have -- we have several golf courses in our family of golf enterprise fund, and other public golf courses that are of similar fee structures. We don't really need additional \$20 golf courses now. What we need is tiered and option golf courses. That provide various different opportunities for different income levels. We -- when I say we're running 35 to 40%, we have the capacity to run a lot more \$20 rounds of golf on our golf courses today and we certainly look forward to additional growth in the game, which we think is coming. I think that the health of the economy is certainly -- certainly drives golf in Austin, Texas, and in central Texas. It has the golf economy and as the economy as a whole are improving, our rounds have been very, very consistent. So there was a time back in 1995 to 2000 when golf was a giant boom, and we certainly were running closer to 50% capacity then. Golf courses don't typically run much more than 40% as far as capacity. When I say capacity, that means daylight to dark, covered up with golfers every 8 minutes. That's what the capacity of 35% is. We're currently running

[2:58:01 PM]

about 35 to 40%, whereas if we had golfers all hours of the day, from sun up to sundown, you'd run at 100%. >> Pool: That seems like an unrealistic measure. Wouldn't you normally want to look at the hours the golf courses is even playable? >> We have people who tee off 20 minutes before dark to go play two or three holes, so -- >> Pool: All right. And then the last thing I'd say, and there will be a lot of other -- additional questions, but for now I'm looking at one of the slides that you put up, which was the Walter E. Long master plan, where it showed adopted in 1968, vision implemented issues fishing piers, boat

ramp, picnic area, arrow modelers and a gun range to be completed golf course. Well, there's actually another page with amenities that were unbuilt and to be completed, and there were about 80 on that list, as opposed to this slide, which showed just the one thing that had not been completed. I would -- I would posit that that's misleading, and it sounds like the city has done everything except for the golf course, while, in fact, there were nine baseball diamonds that were envisioned. There were 50 cabins, there were a number of fishing points, some naturalized open space. There was a driving range and an 18-hole golf course. There was a hike and bike trail, an overlook, picnic areas, restaurants, restrooms. There were a lot of things on that list, not just the one thing that wasn't completed. So this just goes to the statement that I made at our previous meeting, and I still hold, that I would like to see a comprehensive economic and community development effort undertaken by the city of Austin, and the economic development department, with regard to the development building on the master plan that you're right, hasn't been updated since 1968, but pulling out one element of it, a golf course, when

[3:00:01 PM]

there were easily 80 additional items that were not yet completed on that list, the golf course, pardon the pun, should not be the driver for the economic development in this area of town. And I appreciate Mr. Germillion your standing there, I appreciate talking to the department, Mr. Johns and Hensley, the senior staff at the city. That is the vision that I would like to propose and that this council committee do some work on creating, supporting a process that would include again a comprehensive community, an economic development planning process for the east side of town. It may include the element of a golf course, but that would not be the majority of that. There are -- there's nodes for more rooftops. If we develop on the east side we may need to look at a homestead preservation overlay district that people who, for instance, live in colony park will not be -- won't have to sell their houses because they won't be able to pay the taxes if the property taxes go up as high as they likely will. So this is I think for me just the beginning of a conversation that I hope will engage the - engage the entire council in and really look at the lack of attention and neglect that the city has clearly -- how the east side has clearly been viewed by the city in the past. Thank you. >> Councilmember Houston? >> Houston: Thank you, councilmember troxclair and councilmember pool. I just want to say for those who are here that this is a very contentious issue. I know that people who live parks and wildlife and water and birds and fowl have a very personal investment in what happens at the Walter E. Long metropolitan park.

[3:02:02 PM]

But I want to also say that there's some history there that I'm going to share with you about why this is so important to the people who live in that area. Councilmember Charles urdy was on the city council back in some days and he has written in reflections for us to share. And I'm going to just read a few of those comments into the record. Initially the land that we were talking about was subdivided into three acres, and marketed primarily to people of African descent and that subdivision was named carver hills. The investor, the real estate was Mr. Westbrooke out of Elgin and some of the early investrs were Dr. Jm Holloway whose grandson lives down the street from me. Dr. Bradford who did my eyes and Alvin Youngblood, a lot of people, Margaret bright-urdy, a lot of people in east Austin and historic east Austin remember. There was the project was so successful that they did another section in the 60's, but then Austin, as we tend to have happen in east Austin, acquired the carver hills section 2 by eminent domain, paid the investors very little, if any interest on the money they had invested in the property. And said that the city would develop a park there for public purpose and it would be a great asset to east Austin. The power plant was there and the lake was there supporting the power plant and they would have boating and fishing and a large metropolitan park, including a golf course. All those things happened except there was no golf course. This was relooked at again in the 70's, 80's and 90's, and then in the 80's the

[3:04:05 PM]

city of Austin proposed another golf course with the possibility of the university of Texas doing a joint venture. Nothing happened there. In 2005, I believe, councilmember Willie Louis brought up the same issue. That's when it went to a vote and the vote failed because it was a different configuration of how we were going to use that land. And I say all this to say that we've not come up with anything to offer the citizens of east Austin since the land was taken by eminent domain and things were promised to the people who lived there. We keep saying when did density comes, when a bond election gets passed. We keep giving all kinds of excuses for not developing the land as it was proposed in the '68 plan and repropoed in other opportunities. And yet nobody comes with what can be developed on that land. I keep waiting for somebody to come and say this is what we propose. What I hear is no. Just say no. And we can't understand how we can continue to just say no when we've lived with this land since 1968 after it was taken from us. It could have been that more people could have bought land in that area, but we didn't have an opportunity. The city promised the residents something and have yet to fulfill that promise. So I don't mind going through asking for us to do due diligence about the contract, about who is going to work on the land, what kinds of jobs are going to be on the land, but to me that's not the issue. I want to hear someone come back to me and say this is how we hope to develop the land. The parks development doesn't have the funding to do what needs to be done at

[3:06:07 PM]

Walter E. Long metropolitan park. Nobody has done to say we've got a cause flow that we will donate \$10 million to city of Austin so that they can improve the parkland and build out and make it a wildlife habitat and do something really creative with that. We've got to find the funds to do what the neighbors, people who live there now and have lived there for a long time to give them some community benefits. This is not the end all and be all. This is just one part of what can happen to encourage economic development east of 183. So I'm listening and I'm understanding. I understand the angst that some people feel about the park and the parkland, but I need some people to come forward and say what are you going to do to make it different. What are you going to do to complete the promises that were made to the people in the 60's when their land was taken. That's what I'm asking for. We've got to move forward. We cannot 15 years from now still be what's going to be happening at Walter E. Long metropolitan park. We've got to do something now. And so that's all I'm asking.

[Applause]. >> Casar: Thanks for those powerful comment, Ms. Houston. I'm going to ask a couple of short questions and I generally have been advised now as a councilmember to usually have the answers to my questions before I ask them, but I'm actually going to ask some questions I don't have answers to yet. I know, people looking with surprise, but I really haven't had time to ask some of these questions or my staff to dig in so I'm asking a few of them now. I was looking through the recommendation from the African-American resource commission -- advisory commission. Not only making

[3:08:07 PM]

appointments, I get all the names mixed up, and I saw in the document from Mr. Horton that there was a be it resolved -- a whereas clause about a 50% local hiring requirement. And looking through the contract I didn't spot it. That was of interest to me because I was interested to hear sort of the but for argument about more or less how many jobs are being hired locally for opening a hotel or resort and how much more we thought we were getting with that 50% was my original question, but I didn't see the 50% in the documents. So if somebody could speak to that, that would be very helpful to me. >> Sure. We had been discussing back and forth with the developer and different districts will how to ensure that while the developer has been absolutely committed to working to do hiring, job fairs, central really focused in on district 1 and adjacent school districts not only for the golf course, but more importantly the hotel development that would come forward. We talked about various different communities about the opportunity to have a 50% threshold so we could speak to that. Legally it's not something when we were got with legal and we went with the contract over some of these ideas, they sound like great ideas from staff or sound like great ideas from the developer, in their communications with the community those all sound good, but legally we couldn't put that benchmark of a set because that means we would be discriminating potentially against someone else. >> Casar: That's interesting. I'll follow up with that question with city legal because I know in various other agreements we've done our best to do set asides of local hirings. I'd be interested to hear that. And if it's something I have to email

you and we can talk about before the committee hearing that's all right if you don't have that answer on hand. >> Sad to say, but the response to that is pretty detailed. We can certainly provide you with a memo. >> Casar: I'd be very interested to follow up on that. I know that there is some

[3:10:10 PM]

language in the current contract that I found around commercially reasonable efforts and there's been a lot of legal research that I've reviewed that's been published around the country about commercially reasonable efforts and how they have succeeded in some places and failed in many others. I'm interested in ways that we can draw a bright line on what our expectations are for local hiring. And I'll research myself and you don't have to put this on y'all. I'm interested in what percentage of folks are getting hired at a hotel downtown are local. I imagine that number is very high. So I imagine it's over 50%. So it's something I'm interested in looking into since this is -- since part of the consideration here is the economic development at the resort and not just at the golf course. That's something I will follow up with you about. And then Ms. Hensley I think I have a quick question for you. Again, a real question that I wish I just had the answer to in my head by now. I saw that around in the presentation that around year 10 we're expecting maybe \$700,000 coming to the parks department if the number of rounds is successful. I think that was in one of the charts y'all gave us. And your department was very helpful in explaining to me that maintaining two or three neighborhood parks, we could maintain two or three neighborhood parks with \$700,000, is that correct? >> That is correct. That's absolutely correct. >> Can you compare that for me to how much we're -- we would get out of parkland dedication fee monies and parkland development fee monies say for 120 unit -- I know you recently presented to us a proposal to increase the park fees on new development. Can you go back over that proposal with me so that maybe we could have for comparison sake -- it's helpful for me to understand okay if we're developing this golf course we're getting X amount in parkland monies compared to if we were to stimulate residential or office development how much we would get? >> Yes, I forgot to

[3:12:11 PM]

introduce myself. Sarah Hensley, director of parks and recreation. Currently we get \$600 per door. The parkland residential fee is per residential unit. The reason we are recommending and we spend a lot of time working with John Crompton at Texas A&M university about elevating that amount is that we're one of the lower Numbers for parkland dedication of cities who do that across the country. So in this development, which is not residential, we would not be getting any parkland dedication fees. So there would be parkland dedication money and hopefully there will be some coming as the growth continues, as new houses are built, multi-family divisions and apartments, but we would not get a check, per Se,

from this developer for parkland dedication money because it is not residential -- >> Casar: I'm sorry my question wasn't more clear. I wanted a comparison of how much money we're bringing into the parks department yearly if the greens fees are paid and lots of folks come and play golf and we land the pac tour, that's # hundred million thousand dollars a year later on during the contract if all those things work. Whereas right now we're charging 600 bucks a door on residential. Of course how much we could put on 720 acres if we did that theoretically some day. >> And that begs the bigger question which goes back to that whole issue of -- I'll just -- I'll be real frank. I wouldn't support housing on the parkland. And that would be a hard sell because that one would require an actual referendum and the vote of the public. That would be literally selling parkland or giving parkland. That's why Kevin went over the slide with lease. We can't sell it or alienate

[3:14:11 PM]

it because of the law. Really the only way to create any kind of revenue from this would be to have some type of a facility, a golf course or other park type facilities, recreational purposes because other than that, other than selling the land or leasing the land, which we cannot do, then that would be -- you could generate some revenue that way. But that would be a vote of the public. >> Casar: Sure. My last question is I know that there are wage and hour requirements attached to the construction phase, but the contract that -- I didn't miss anything related to job related requirements on the resort or any of the hotel development, correct? >> No, other than that you we've worked very hard with the developer as well as economic development to try to put as many you incentives in there that we see that many times our partners in economic development have worked with other proposals. So the idea was to try to create opportunities for -- as an economic driver not only with the job situation, but looking at other practices that Rodney and Kevin have put into other proposals working with developers. >> Casar: I appreciate your questions and answers, Ms. Hensley. I appreciate that we're going to take some time to chew on this before the next committee hearing. The reason I asked some of those questions is that I think it's pretty clear that partnering with private industry on this public parkland is going to have economic stimulus if the golf course is built and the PGA tour comes there. I'm trying to sort out the opportunity costs. We have this asset and if we enter into an agreement with this asset, is this the economic stimulus that we want? What level of job access,

[3:16:12 PM]

job quality are we getting with -- it's not exactly a subsidy, but we are ultimately playing a part in the deal because the proper is not having to purchase land to develop their golf course. I imagine that deal wouldn't work out if we asked for them to pay for another piece of dirt. Which I understand. And I know

that we're never going to get the perfect opportunity, but you kind do pull the trigger because then it will be a golf course. So I appreciate y'all answering those questions and I'm trying to stay open minded even though one of the questions that remains in my mind after the hearings is the ballot measure issue. And even if it does not violate the letter of our city charter, if folks will see us trying to dance around the spirit or not. And that's a conversation that I'm willing to continue having with y'all. Thanks for giving us some time and for answering our questions. >> Sure. >> Troxclair: Actually, councilmember Casar's comments were a good lead-in and I wanted to take this opportunity to frame what I think the decision is before us today. I'm sorry, mayor pro tem tovo, I didn't have an extra copy for you, but I'll get you a copy. This one pager that I put together for the committee members today just kind of outlines what I see as the committee's potential options moving forward today, again not today, but the different routes that we need to consider before taking a vote on making any recommendations to the full council next week. As I see it and please let me know if there are any options that I don't mention. We have several potential roads that we can go down. The first would be to recommend that the current agreement -- recommend to council that the current agreement be sent to voters

[3:18:13 PM]

for approval. There has been a little bit of discussion about that issue on the dais and although there is certainly a legal difference between a lease agreement and a license agreement. And I do have some more questions for staff as to why we are currently headed down the license agreement road. The practical end result for members of the public is similar. So we could recommend that the current agreement be sent to the voters to weigh in on this issue. The second option that is similar is we could take a look at the contract, ask questions such as councilmember Casar just raised and potentially tell the full council that we recommend that we make certain adjustments to the contract to ensure that we're getting the best financial investment for the city. I know that -- I have full confidence that our city staff has worked very hard to put the best deal possible together, but I still have a few questions about the contract itself and I think that it is-- the question before this committee is related to the economic development. And I think that we do need to make sure that if we're going do something that we make sure we get the best deal for the city. So that would be option -- I would say all them 1 a and 1 B. The second option would be that we could simply recommend council approval as written without going to the voters, or we could recommend council approval with certain changes to the contract such as the issues that I just discussed. And then number three would be to recommend council disapproval and expand on why we would recommend that the council not only not send this to voters, but also not further the matter at all. So those are the five options that I think we have before us. And I do have a few more

[3:20:14 PM]

questions with that in mind about the contract itself. So Mr. Germillion, I think you might have the best one to answer these. Looking at the contract, it means that there maybe needs to be a little bit more classification about some of the definitions of the terms that are used in the contract. For example, we use the term revenue and obviously that is a very important term in the contract because that's what is going to decide what money comes back to the city or what money comes to the city. So can you expand on why it's written the way it is? What does it include, not include? And the second term is concessions. And it seems like there could be a little bit more clarity on what exactly we mean by concessions. And I hope councilmember Casar, if we're not supposed to ask questions that I don't know the answer to, then these are all genuine questions that I hope that we can get answers to. >> Certainly. I'll try. Kevin germillion, division manager for golf enterprise fund. Revenue shares an commissions, commissions are all revenues generated off the operation and the sharing is based on gross revenues from operations which includes golf concessions, local tournaments, charity tournaments. The only thing we've not talked about is food and beverage. If they rent the building for meeting rooms, all of that is based on the percentage of gross revenues. The only thing that we've talked about that is not a part of the commissions would be the short course and the short course would be operated as a separate non-profit where a portion of the revenues generated from that fee would be operating off the short course and a portion of the fees would go into district 1 improvements. When you talk about the commissions itself, it is considered all revenues generated off of operations of the golf course

[3:22:14 PM]

properties. >> So that would include restaurant, sales, bar sales. Of course green fees, events, conference centers. >> All revenues generated. Anything that comes in that's paid to the development, it's commissions that come to the city. >> Troxclair: Could it be possible for us to say including, but not limited to and outline some of those things that you just mentioned so that we do have a a little bit more assurance that when we say revenue it means all revenue? That was just one thing that I thought of. >> Chair troxclair, I just have a question. Did the golf course all of a sudden become a conference center and resort? >> It has meeting space. I think we've talked about the meeting space that's going to be there for -- theoretically you could rent the meeting space. Corporate type meeting space is what they've discussed. >> Troxclair: So I also had questions about -- I understand that there hasn't been an appraisal of the 735 acres. Is that owe is there a reasoning behind that? >> I think the reason I was given by the real estate area is that even in 2000 when they considered this -- the hotel on golf course property it was a lease so they didn't complete one at the time. We've never had one -- we've never had a reason to do an appraisal of the property. >> Troxclair: Okay. If we wanted to do an appraisal do you know about how much that would cost? >> I don't, I'm sorry. It would probably be in the 30,000-dollar range. Only reason I have a reference to that is I think that's what we spent on the -- we had an appraisal done at gray rock and I believe that was in the neighborhood of that cost.

[3:24:17 PM]

>> Troxclair: I ask that question because when I was reviewing the contract and looking at potentially the different ways that we could set up the revenue sharing or the different contracts, we could consider some kind of flat rate or consistent fee as well as public-private partnership based on where we received revenue -- we shared revenue with the developer based on the amount of money that was put in to the property and for us the amount of money put in would conceivably be the value of the land. It seems like from a quick search on tcad that a few of the parcels pieced together came out to about five million, but I don't know how accurate that information is. Is that was the reasoning behind that question. I also wanted to ask, there is on page 19 of the developer's proposal it says our detailed -- quote, our detailed financial projections are attached and the proprietary section of this proposal. Do you know what that's referring to, if there is more detailed projections somewhere or if that's already been provided to us? >> There's a confidential backup document that is basically pro pry Terri. And so the purchasing office holds and contains that backup document. >> Troxclair: So the purchasing office does have more -- expanded information. >> Right. >> Troxclair: And I wanted to ask about -- do you know if the developer would potentially contract with the management team to manage the course operations? >> Yes, ma'am, it probably would. It would be a third-party agreement that would have to be approved by the city. >> Troxclair: So this goes back to my initial question about revenue. I would want to make sure that if we were going to -- if they were going to contract with the management team that all of the money was counted in that avenue.

[3:26:19 PM]

That they weren't paying a lump sum to a management fee, therefore kind of getting it off the books of the golf course and that money wouldn't be included in total revenue. >> Sure. That would be the main component behind the -- there's third-party agreements written into the contract probably more than there is water. It's pretty clear on making sure that we protect all contract negotiation through that has to be approved by the city for the third-party agreements. >> Troxclair: I guess if this proposal did move forward and the golf course was built, I guess we could have the city auditor do an audit, and would do an audit? >> Yes, ma'am. We do it for our other city golf courses. We have contractors and license agreements at our other city golf courses as well. >> Troxclair: How regularly are they done? >> Monthly and our internal staff does more than monthly. >> Troxclair: Okay. Can you expand on why -- I know there was a lot of conversation and I almost -- I don't necessarily think it's the specific focus of the charge that's in front of us, but I do think that it is important as far as the recommendation that we could potentially make to council. So can you expand a little bit on -- remind me why the city chose to do a license agreement at this time? And if the decision -- if the recommendation from this committee

and the recommendation of full council was to send this to the voters for approval would that decision preclude us from doing a license agreement? If this went to the voters would it have to be a lease agreement or could it be a license agreement? And if so what are the benefits and the drawbacks to the city of both options? >> This is something we've heard a lot of questions about and I will have to get legal up here to answer the second part of that question. I think the challenge for pard in discussing it with

[3:28:20 PM]

legal is that we have such similar agreements throughout our parks department where we have very -- I mentioned the tejas agreement. There are several agreements so similar. The difference in my mind and what I think a lot of people have some apprehension about is the size of the property and the length of the term. And I think 735 acres is a lot more than 36 acres, there's no question. I think that's where -- from a charter standpoint, back to councilmember Casar, is it the greater area where you don't want to be? That's certainly council's decision. I think from our perspective is that we are utilizing parkland as it's been discussed for years and years and years and we have similar like type agreements. The difference being is the term. I think that's a big one. If council wants to reduce the term of the contract they could make it 30 years, whatever. I think that's certainly an action that could be taken. I think that we keep talking about 735 acres, but in reality it's probably four or five hundred acres that will leave land adjacent for other uses. Until you give the developer time to go in, design the golf courses, start figuring out infrastructure, they won't know some of that until you have some time to do it. And I think it's kind of -- it will be tough on a developer or anyone to spend a million or more dollars on feasibility and then not have a contract and potentially not be able to move forward. We're talking just the water source is probably a million dollars easily. So I think that's the part that we keep coming back around to from a license agreement versus lease. As far as having to enter into a license agreement as a referendum -- I'll ask Gregory Miller for that. >> I'm sorry, could you recap the question? >> Troxclair: There has been discussion about the city charter and about not leasing parkland except for with voter approval. Of course the current agreement is a license agreement, so the city could enter into the license agreement without voter approval.

[3:30:20 PM]

So my question is if we did send it to the voters does that automatically make the assumption that it is a lease agreement and the city would then be required to structure the agreement as a lease agreement instead of a license agreement? He. >> By going to the voters there's a presumption that the only reason you would be doing that is to have a lease or sale or mortgage of the land. So if that helps at all. The only

reason you would really take it to the voters is to have the authority to do a lease. If it's a license you don't need to go. >> Troxclair: So we don't need to go, but should we choose to go? I know if we continue as a license agreement would we have the option to send it to the voters, although we aren't required to do so? >> I'm out of my element here. We would have to check with somebody else in the law department. I would say I don't see why not, but -- we can finalize that. >> Troxclair: Because from our conversations I do understand that there are certain benefits to the city from -- in doing a license agreement, but I also understand the concerns of the citizens who feel like that it needs to be sent to the voters. So I'm trying to understand if we give up our right to do a license agreement if it goes to voters. >> The only comment I'd add is that it gets down to revokeability. Even if you enter into a residence agreement there are certain guarantees that the developer has, whereas truly -- I know it's hard to read and understand that for no reason the city council could revoke the license agreement, and any license agreement we have. >> And in talking about all the questions that I just asked about the structure of the license agreement, it seems to me like we have a lot more control over what happens on that land and what the end development

[3:32:21 PM]

looks like and putting certain details in the contract, we have a lot more flexibility and we have a lot more rights as a party that's in a license agreement versus a lease agreement. If we're in a lease agreement then we're leasing the land, but really the leasing entity has a lot more of the control of the land, is that correct? >> That's correct. I think the difference being that we basically are able to hold them accountable for anything that they do. >> I think we're asking a staffer not in the law department to pass a legal judgment and I think Greg has also maybe said that he doesn't feel like he can answer that. >> I can speak to its notion that when you're in a lease both parties exert more control than a license agreement. With a license we have all the power in that agreement. If it's a lease then the tenant has considerably more power. But we can also craft a lease agreement that can protect the city and its assets in the same way that we could craft elements on a concession that would protect the city. >> Certainly. If you look at it on a spectrum if we push the lease agreement, we will still have to give up a little bit, but we can craft it. >> Pool: We're giving up a lot with this, whether it's a lease or a concession. >> With regards to the taking it to the voters questions, we'll get you an answer by the end of the day on that. >> Okay. Yeah, I think that that is really important issue. Okay. Mayor pro tem tovo. >> Tovo: Thanks, I appreciate the opportunity to talk about the issue. I know we're scheduled to talk about the licenses and leases. I do have a couple of specific questions about to

[3:34:22 PM]

start with the 35 permanent jobs. I know that there have been some questions and answers submitted and expanded to that talk about -- talk about those. But do you have a breakdown of what the expected salary ranges are for those 35 jobs? >> I do not. >> I think that would be helpful information if we're assessing this as an economic development. I understand the discussion about all the ancillary development that might stem from this possibility, but I think it would be very helpful to know what those 35 permanent jobs would look like? We got some information about the construction jobs, but not necessarily about those 35 permanent jobs. >> The contract requires a living wage, but I don't know that it actually details salary for those 35 jobs. >> Tovo: I'd like to know where those fall along the spectrum. Are they 60,000-dollar a year jobs, are they 25,000-dollar a year jobs and how many are in each of those category? >> The three percent revenue seems quite out of line with our other license agreements. And I don't want to weigh in right now on whether I think a license agreement is the right vehicle, but if it is being structured as a license agreement or being proposed as one, it just seems very out of line with the other revenue shares. And that's been a goal of -- and a recommendation from the parks board and to make sure that those -- that the contracts as they come due are structured at a higher rate of revenue, one of the more recent ones, for example, was butler pitch and putt and it was structured at 18 percent. And we had this conversation with regard to lone star river boat in our work session, but in looking at some of the more recent ways, the rowing center is at nine percent. I mentioned pitch and putt. One of the zilker concessions, the zilker cafe is at 10%. Can you help me understand why this is structured at

[3:36:22 PM]

three percent? I know you mentioned initial investment, but we asked for an investment from butler pitch and putt too. It's a much smaller scale, but it was large for that operation. >> I guess when you say smaller scale, it's significantly smaller. When you talk about 25 to \$28 million on the very front end of the buildout, that's a significant amount of money. So once again we get back to as we talk about success of the contract and we put a developer on this project to continue moving forward, we don't want to start something without them having success. We felt like starting low and if we start achieving higher revenues, the concessions immediately ramps up with that success. Knowing that the capital investment for butler pitch and putt is \$200,000 on the high end compared with 25 million is significant. And we don't have -- I go back to the tejas golf group. They put out all the capital investment and they're paying out a set dollar amount per month at six percent. We have different agreements different depending on the capital investment that's been made within that property itself. Dove but they are double, at six percent. And lions is a note that I can't read. It's also a formula. Okay. We'll -- we'll leave it there. You said it's -- it is substantially different than any other license agreement and you structured it that way because of the substantial investment. >> The other key is that six percent is for the life of the contract, versus for this contract it grows with revenue generation. It and really gets into what we would anticipate 12%, sort of our number in pard that we talk about is trying to reach between 11 and 12%

being that average. And interesting in the butler pitch and putt she proposed that higher percentage. We didn't have to negotiate that because she came at that higher rate.

[3:38:23 PM]

>> Tovo: We had a considerable discussion about that particular contract. >> Yes, ma'am. >> Tovo: It didn't sort of happen organically. But with regard to the short course, looking at page five of the agreement and it talks about the proceeds from the short course will be allocated and it needs to be in use within seven years of the date. But it could be seven years. It doesn't -- it's not necessarily something that will come on line within the first seven years, is that right? >> I think within the first seven years it would be operational. And I think the goal is to be sooner than that and largely the goal is because I think that the developer has indicated he would like to have the first architect do both the first golf course and the short course. >> Tovo: Do you have an estimate for the surcharges? I know the surcharge -- the out of city surcharges are in part what is funding the community benefits in terms of the park improvements% within district 1. Have you provided us anywhere with an estimate of what those surcharges are estimated to be? And over what period of time? >> Are you referring to the non-resident fee? It would be 25 percent of the rounds. >> Tovo: Goes to district 1 and the other 75 stays in the park. >> I think we have, but I'd have to flip through a whole bunch of pages. >> Tovo: I can ask that question if it's helpful. And it would be helpful to know if that is also a phased surcharge. Whether you have phased -- whether you have estimates that are phased over the lifetime of the contract. I have some other particular questions but I think it would be easiest if I submit them. I would like to get on the point that chair troxclair mentioned about the real estate appraisal. I believe I submitted some questions through our Q and a process about that.

[3:40:26 PM]

I believe when the city council was considering the purchase of the bull creek property that our real estate department did the appraisal. And I wonder since we have professionals within that department why we couldn't come up with some Numbers on what the value of that land would be if sold or leased, just so we have a sense of what that value is that we're figuring into the MIX here. So that's my request. Anyway, thanks very much. He. >> Troxclair: You mentioned in your slides the course that was built in Arizona. And I'm sorry if you said this and I missed it, but was that a license agreement? Or do you know? >> I it did have a license agreement. Actually, they had a license agreement and a lease depending on which stage of the property that they have there. >> Troxclair: And do you my chance know what their revenue structure was at that course since there has been discussion of what the right percentages are and how we ramp that up? I just thought that might be an interesting comparison.

Councilmember pool. >> Pool: I don't know if this goes to Rodney or to you, Kevin. There was an application that the course would be audubon certified. Can you explain what audubon certified is and if it that has any association at all to the wildlife non-profit audubon international? It sounds like it does. >> And I -- once again I'm afraid I will have to go through and give you bullet points about what that is. It's in the contract that reads that it does require audubon certified. And it basically is seven categories that you are working to achieve. >> Pool: I understand about the seven categories, specifically the use of the word audubon seems -- brings to mind audubon international, which is the wildlife preservation and

[3:42:27 PM]

bird sanctuary long time non-profit. Is this certification at all related to that non-profit? >> I believe it is, but I'd have to go back and look at the backup detail for that. >> Pool: This is one of the questions where councilmember Casar said you need to know the answer to the question before you asked it. And I do know the answer and there is in fact no relation at all, but it is almost like green washing. It does sound like this golf course could be certified by a well-known and very highly respected non-profit birding organization, but they in fact have nothing to do with certifying golf courses. So I think that you might footnote that particular item so that people are not confused or misled because it strikes me as misleading and confusing. >> Troxclair: Councilmember Casar? >> Casar: I just have one sort of set of closing comments for my colleagues. It seems that for me we've discussed a bit about the balloting charter issues and I'll be thinking over those and I'm happy to discuss those with the public. I'm really interested to hear what folks think about that. And then second, something I was going to bring up, but chair troxclair and mayor pro tem tovo brought them up before I could about -- I think some of the difficulty in this deal is we aren't quite sure how many chips we have because we don't know -- we don't quite know what the value of the land is. It makes it much harder to know whether the amount of revenue is fair or not and how good the deal is and whether we should be asking for more, if this is about the furthest we can push on the limits of this deal to make it to work and we have to vote this version down or not. I have to say that the fact that we have 700 acres for a golf course in district 1 is particularly trying for me in district 4 if we have the lowest number of park acres of anywhere in the entire city and we have lots and lots of kids living in urban

[3:44:28 PM]

areas that aren't anywhere near a park. And we have thankfully purchased some land to maintain and develop parks in my district, but we still don't have easily available funding streams to developing those. But at the same time is it worth deciding to go to a golf course here and then in 10 years having enough money and revenue stream per year to maintain two or three parks versus 730 acres for golf? It's a

difficult calculation. At least in my mind. I appreciate the questions and answers from staff and the time to deliberate because I don't think it's an open and shut deal. But in the end for a me there's also the question about economic development for this committee and right now it seems like most of the economic development that would come from this particular development would be broad-based economic development around tourism, development of a resort, sales tax revenue, hotel occupancy tax, but there is quite a conversation going on in our city about more targeted economic development towards folks that are being left behind by our more broad economic boom. And so I take your comments very seriously, councilmember Houston, about what it is that we're going to do with this land and what it is we're going to do for folks who are not experiencing the economic benefits of our gdp increase or population increase as explicitly. So I'm very committed to working on that in this committee and I'm confident that everybody is regardless of where we come out on this particular vote. So thank y'all for your time and for thinking this through with me. Because it hasn't been an easy one for me. >> Troxclair: Councilmember Houston. >> Houston: Thank you so much. I just want to let my council colleagues know that there are three planned developments in the area, wild horse, Indian hills and whisper valley, which will add many, many more rooftops

[3:46:30 PM]

to the development that we're talking about and the area of development in the area. And the other thing that I want to mention is that while I understand the need to make sure that we're keeping in -- keeping our integrity with the spirit and the law of the charter, when we have public hearings where people, the majority of the people are privileged to be able to come down and speak and the majority of the people who live in that area are not able, do not have the ability to come down and speak and be able to address the issues that are close to their hearts as a disbalance or imbalance in that equation. So I just want us to be really sure that we not only take in those people far and wide who are also citizens of Austin, but also the people who actually have lived there for over 40 years and continue to wait for the services that were promised and the fact that we'll have a -- when we have a public hearing on this at some point there will be hundreds of people here speaking against this proposal and there may be 10 or 15 speaking in favor of because of the imbalance of how our city has structured how we-- the equality and the equity that we share with people on one side of the freeway and those on the other. So I just want us to be cautious about how we listen to people, and that people who have very few voices and who don't speak as eloquently or have as much data as we would like, that their voices are heard as well because they do in fact live in that area. >> Troxclair: Councilmember pool. >> Pool: Thank you, chair troxclair and my colleagues here for your good comments. I have heard from some people who live in the colony park area who do not support this proposal.

[3:48:32 PM]

So I think maybe even that neighborhood may be split on it as well. I do look forward working with my colleagues here on the dais to have a comprehensive community and economic development conversation and hopefully we can move the city forward in a part of town that is inarguably neglected and overlooked and underresourced for a very long time. And I have committed in a number of forums to moving forward with special attention and really trying to find the robust and rich assortment of jobs to bring the rooftops and the grocery stores and the good-paying jobs and schools to the eastside of town. I think if there's one project that this particular committee takes on for the next year or more, it will be coming together with staff and the community to jumpstart this effort and to build on the plans that have been done in the past so that any dust that may have been accumulated on them, like Dr. Urdu has mentioned will be dusted off. This wouldn't be the first plan that has gathered dust. I've certainly worked and written a couple of them for the city that have also gathered dust. That doesn't mean we need to leave them on the shelf and I would like to call for us to pull them out. I think I did the last time we met in this committee and tasked the economic development department to look at the master planning efforts that have been done in the past. And I asked what would it take to start the conversation throughout the community so that we can all join together on what is clearly a necessary activity and one that needs to be done with a very broad vision for the long-term benefit not only of the east side of Austin, but for all of Austin. The park is an asset in that part of town. It's not the only asset in that part of town. And I would like to bring them all together and build

[3:50:34 PM]

on them. So I look forward to that work with my colleagues here on the dais. Thank you. >> Houston: And one more. I would like to invite everyone to attend the town hall meeting that is scheduled for April the 18th from 10:00 to noon at Turner Roberts center where the conversation will be about economic development in the broadest sense in east Austin. So everyone is invited. There will be light refreshments and there will be time for questions and answers. >> Troxclair: I have one more question. I was just curious if the committee is going to consider making any revisions to the current agreement, do you feel like there would be a benefit to talking about what has transpired in your deliberations so far with the developer so that we can understand the position of the city and what -- >> Sorry, I'm not completely clear on your question. >> Troxclair: I'm trying to understand if there would be a benefit to having a conversation about the contract and what -- if we were going to talk about changing the revenue structure or -- if we're going to have a conversation about changing the revenue structure is there a benefit to having a conversation about that in executive session so that we can understand the position of the city and what has transpired so far in the deliberations? >> Potentially. We've been fairly set since late October in that the percentage and the avenues haven't adjusted much since those early negotiations. We can absolutely provide the discussion points that have taken place. >> Okay. I just want

to echo what councilmember pool and the other committee members have stated. And as I mentioned at the initial meeting of this

[3:52:35 PM]

committee is that this proposal is the question that's in front of us, but it's not necessarily the beginning or the end of economic development in east Austin. So I think that's a broader conversation. I want to thank the staff again for doing all the work that it took to put together the bind they are has answers that are responsive to the questions that we asked about broader economic development development in east Austin and I do hope that it will be a main topic of this committee moving forward. And to my fellow committee members I hope the outline that I provided with the possible recommendations recommendations that we can vote on next meeting is a helpful start. I do hope that by the beginning of next meeting if we are going to make a decision that we are able to flesh out a little bit of the details of those potential decisions and be able to provide council with some guidance of the answers that we heard here and how we recommend it's best to move forward. I want to do that also out of respect to not only the people who have been working on this agreement for a long time, but also the community who has been involved in this process and who has been waiting for an answer for a long time. I think we owe it to them to move the process forward. Councilmember Houston? >> Houston: Are we going to have another meeting before the meeting of the council to flesh all this out? How will we handle that? >> Troxclair: Our next meeting is scheduled may 11th. Do you feel like that would be enough time for you to digest everything? Okay. So the plan would then be to take a vote on this issue at the beginning and make a recommendation to the full council at the beginning of our next meeting on may 11th. Thank you. >> Ms. Chair woman? I have an embarrassing correction. I was just informed that the real estate department, the real estate office, did work overtime and put information

[3:54:36 PM]

together and it is in your blinder. Up until a few minutes ago we weren't able to get it to them, but it is in there and my apologies. >> Casar: I noticed that in the binder but decided not to bring it up. Thanks for embarrassing yourself. >> Thank you very much for not calling me out, but I saw it and quickly double-checked. So you do have a very complete document. >> Troxclair: Thank you for that. Okay. With that I think we're moving on to our next agenda item. Is there staff here to present on this item? Anybody, anybody? Okay. Great. So this issue, just to remind my committee members, was the issue of a 36 month contract with cdw government to provide electric visual display systems for austin-bergstrom international airport, not to exceed \$1.6 million with two 12 month extension options and an amount not to exceed 200,000 per extension for a total contract amount not to exceed 2 million. So we

had a discussion at the full council about there was one company who had applied for this contract and although they are in the E.T.J. Of Austin, they were not inside the city limits. So they did not receive the benefit of the local -- the local benefit, I believe, that is awarded to companies that apply for city contracts that are located within the city limits. We had a discussion about that at one of our last council meetings and decided to send this issue to committee. So now here it is. >> So committee chair troxclair, members of the committee, James Scarborough, purchasing. As committee chair appropriately framed, this is an item for your consideration and discussion

[3:56:36 PM]

concerning the purchase of monitors for the austin-bergstrom international airport. This would be a term contract to cover initial 36 month period with an option for two additional one-year terms for an aggregate total amount of five years. And an estimated two million dollars' worth of contracts spent. As was discussed, this particular item was an invitation for bids where we compare prices bid for like products and services. Due to Texas local code 217905 we are able to apply a local preference in amount of three percent, if the second place offer is within three percent of the low bid price. This particular scenario did satisfy that criteria, however as defined by the purchasing office and as clarified by the law department, our definition of location or local entity is in the corporate city limits of the city of Austin. That is established in the solicitation instructions and is what we have based our interpretation of this program on for the last recent -- application of the program. So we were not able to apply the three percent preference so we brought forward an item for council's consideration for award to cdw government LLC. So with that if you have any questions I'll be glad to answer them. I also have representation from abia to answer any operational questions as well as law department if you have questions associated with our interpretation of local presence. >> Troxclair: I guess I need to understand first if this conversation -- if we are legally obligated to move forward with the current contract that we have in front of us, if this conversation is just more

[3:58:40 PM]

for background so that we have more information when we go to make this decision next time or we can make changes to the way that our local preference is awarded to possibly include businesses that are part of the E.T.J.? So I'm trying to understand is this something that we are legally able to make a change to as it's in front of us this time or would this conversation just be able to help us in the future? >> At the current time it's staff recommendation that the council consider awarding of the contract to the recommended company, cdw. There are purview of the city council to make a determination or make a recommendation decision to cancel the solicitation and resolicit. We are glad to facilitate if

that's your desire. If you wish to explore other aspects of council authority, I would be glad to invite our colleagues from the the law department here to join us, but at this time it's the staff's professional recommendation that we proceed with the award recommends as the process was described within the solicitation or that we cancel the solicitation, adjust the solicitation process instructions to better reflect council's policy priority and to resolicit either one or the other. >> Troxclair: Can you tell us what kind of cost would be involved if we did decide to cancel the current contract and resolicit? >> Well, if -- if we determined not to proceed with the award of the current contract, then the city would be in the position to continue its current practice of making spot purchases. So we're purchasing monitors and monitor amounts for abia currently. This creates a variable price environment where sometimes we're able to get a competitive price, other times not, but we're not able to leverage volume and discounts that would be available under a long-term contract. It also puts us in a

[4:00:41 PM]

circumstance where we have multiple suppliers providing service on monitors. So it will make it more difficult for the staff out at abia to manage all of the various providers of monitor support if we continue to buy from separate companies on a repeated basis. But we have been doing this in the recent past and if we end up cancelling solicitation and going back out, we will just do it for the period of time that transpires between now and when we're able to bring a longer term contract for your consideration. >> Pool: Madam chair, I'm comfortable with the fact that we're making a decision that will possibly save money in the long time and have a single source of the equipment so they can talk to each other and not have compatibility issues. I also like the idea that we are purchasing in advance and can take advantage of any discounts that might be available. I think this might have been pulled because of the amount of money and just a general conversation about it. But I never had any issue with this particular contract myself. >> Troxclair: I think if this jogs your memory, there was also a discussion about -- it was more about the local preference that we give to companies. It wasn't really about the purchase amount. There was a question that came up, there was a minority-owned business that had come within very close to the bid that we ended up choosing that was located in the E.T.J. And had the minority owned business received the benefit of a local preference that would have been awarded the contract. >> That is correct. >> Troxclair: Is that your recollection? >> That is correct. >> Troxclair: So I think it more focused on the issue of local preference as well as minority owned business issues than it did the amount of this contract. >> That is my recollection as well.

[4:02:45 PM]

>> Casar: So you said that it's current city policy that we utilize corporate city limits, but it's not outlined -- the corporate city limits is not outlined in the legislation that allows us to use local preference. >> That is correct. Corporate city limits is not established in the authorizing statute. The purchasing office's interpretation of corporate city limits is based on a legal analysis that was conducted several years ago and we have been recognizing Austin corporate city limits since then based on that analysis. >> Casar: So there is a legal analysis of what we meant, but there isn't specific reasoning given to why we are using corporate city limits as opposed to corporate city limits in E.T.J. >> The reasoning would be associated with that analysis? Again, once we get into the legal analysis of what is the definition of municipality, that's when you get -- that's when I need to call on my colleagues from law to provide some additional background on that. >> Casar: It sounds like we need a longer conversation about whether -- I think that I would have interest in council giving direction to include the E.T.J if we're allowed to do so, if the enabling legislation allows us to do that. So it sounds like we need to ask for some advice from legal and I would feel comfortable once we posted for it to have that conversation and to support including the E.T.J. And also to hear reasons why we may not want to. >> Pool: I would like to maybe pull that conversation away from this particular contract so we could move forward with this contract and allow the purchase to go forward. Because otherwise I think we may be stalling or have to choose a different I- - are you okay with that? >> Casar: I agree that we need to move forward with voting '88 or nay on this

[4:04:47 PM]

particular item and that would have to be a conversation that we posted separately for. >> Troxclair: Did you have a response to one of councilmember Casar's questions? >> I did. I'm Robert Harris with the law department and I did bring my blazer with me this afternoon. The language in the state statute, it's not very clear. And Gregory Miller, who was here previously, and I both worked on a memory sent out from Gregory about a month to six weeks ago specifically related to local preference. The current policy is, as Mr. Scarborough stated, that it is the corporate city limits. The specific language in the statute is that if the business is located in the local government. It's left up to some interpretation. There's a little case law on this exact issue. Council has the discretion to change that policy to include their definition or the city's definition of in the local government to include the E.T.J. And extend it to that. So -- and I'm sorry, the council has the authority with this particular item, as Mr. Scarborough said, to reject all bids, reopen the solicitation, reject the bid that's currently before them, and then purchasing will come back with another recommendation without actually cancelling the solicitation. So that is an option. Or accept the current recommended vendor as is proposed by purchasing. >> Troxclair: About how long would the first option take? If we were to resolicit? >> That would be for Mr. Scarborough. >> If we are to cancel the current solicitation, reestablish the new solicitation, go back on the street, if we're expedited and don't change a lot of the content of the previous solicitation then we're anticipating anywhere from three to four months is our typical cycle. >> Troxclair: Okay.

[4:06:50 PM]

Is that the option that you just suggested or were you suggesting something different? Did I misunderstand? >> No, I'm sorry. Please don't take what I'm saying as suggestions. >> Sorry, not a suggestion, but one option that you mentioned, you mentioned not having to cancel the current solicitation. >> Right. So there are currently three options that the committee could send to council, that the council could take on this item. One would be to accept the current proposal from purchasing and go with this vendor. Second would be to -- to reject this proposal and purchasing could come back I believe without resoliciting the project. Because the council has the authority to look at what is in the best value of the municipality and what that is. If council determines that this particular vendor does not provide the greatest value to the municipality they can make that determination and reject this vendor. And then rather than resoliciting the case, purchasing could -- would go to the next vendor on the list and then recommend that vendor. The third option would be to reject all bids and request that the solicitation be reissued. >> Troxclair: So the middle option that he mentioned, what would be timeline look like on that option? >> Because that option is not contemplated and is not performed to my knowledge by the purchasing office, I wouldn't be able to come back with a timeline. Because the process that is being contemplated of not proceeding with the award recommendation to the lowest bidded offer and going with any of the other offers would not be consistent with the instructions in the

[4:08:52 PM]

solicitation, staff would not be able to recommend that approach, however it would be within your authority and your purview to do such. We don't have a timeline associated with that, but it would be substantially shorter than canceling the solicitation out right and changing the solicitation instructions so that they more appropriately reflected the value as a council and putting the solicitation back on the street. That would take three to four months. The contemplated approach would be shorter. >> Troxclair: Okay. Councilmember Casar. >> Casar: So council has the discretion to reject a particular bid, not resolicit an rfp, because it does not provide the best value. And then under state law we just then have to go with the next lowest bid? Is that correct? >> That's correct. And this is from the statute -- the governing body may reject any and all bids. So by rejecting a specific bid at that point, then the council would have to make the determination that this particular company that they are rejecting does not in fact provide the best value for the city. >> Casar: Is there some good guiding principles as to how we justify that someone does not provide best? I imagine that we want to protect ourselves from corruption, nepotism, picking out our friends. I imagine we would have to have some guidance as to how we can decide someone is or is not providing the best value to the city. >> And that is correct. And best practice unfortunately like I stated earlier, in a lot of these areas of purchasing and contracting when you get down to the specifics like this, there's not a lot of guiding case law, not a lot that we have

to go on in interpreting this. So, you know, if there's a concern that maybe the top vendor who is being recommended at this point have some cause of action against the city, I couldn't

[4:10:54 PM]

say at this specific time. But like I say, just options that the council has with the items that are before them. >> Casar: And I think that it's pretty clear that the discussion today, the reason we are considering this item and taking longer on this item is because of the possibility of local preference and whether it means corporate city limits or E.T.J. Can you remind me, Mr. Car Breaux, the difference in the bids between the vendor that is currently cdw and the second place vendor on the list? >> So in general -- generally speaking there were two line items. One was for the installation of 65 monitors immediately upon contract award. The other was based on an annual estimate of the monitors that would be consumed by abia on a year's basis. So the aggregate amount authorization was two million, but the difference between the first and second -- the lowest bidder and the second lowest bidder was less than one percent. It was a fraction of a percent. >> I'm sorry, robin Harris again with the law department. I had discussed what we've been discussing for the past 10 minutes, my miss inning is that this was a request for proposal, in which case all of those options are available to you. Unfortunately because of the type of solicitation and invitation for bid you're required to go with the lowest bidder at that point. So my apologies for the misunderstanding. >> Troxclair: Okay. Thank you for clearing that up. Councilmember Houston? >> Houston: Thank you. Thank you for the clarification. Because I was about to ask about what our risk was as a council. So that clears it up, thank

[4:12:54 PM]

you. >> Troxclair: Councilmember Casar. >> Casar: To clarify our decisions in this proposal are to reject all bids and resolicit or to accept this bid? >> That's correct. >> Pool: I'd like to suggest that we move forward with this particular contract, but take up the very clear policy question going forward for the E.T.J. I would hesitate to apply that to this particular contract because otherwise then might come back and say well, you know, this was passed and we're in the E.T.J. And it would have an unknown consequence, but going forward I think that would be a great conversation for us to have, to include the E.T.J. >> Troxclair: Would anybody like to make a motion? >> Houston: I just have one quick question. Since someone is here from the aviation department, I guess my question is are these decisions -- does the airport advisory committee get any of this information prior to or do you all just make the decision and then it comes to council? I'm not -- again, we've not had any information about aviation, so I'm confused about what our role is and what the airport advisory committee's role is and how you work these kind of high dollar contracts through the system. >> Okay. Good afternoon, my name is Michelle

[indiscernible]. >> Houston: You will have to come this one here. >> Good afternoon, my name is Michelle Mohit, enterprise systems and manager for the aviation department. To answer your question, this item did and has gone before the airport advisory commission last month. And they recommended approval. >> Houston: Okay. Thank you. >> Troxclair: Can you remind me when the contract is supposed to begin?

[4:15:09 PM]

Existing contract, we don't have a contract that's expired. We were conducting spot buys previously so it would begin essentially as soon as counsel authorized award. We would just discontinue the current practice of conducting spot buys. >> Okay, so you are waiting for direction or approval from council in order to move forward, but with that approval you can move forward as soon as possible? >> Correct. >> I do want to make sure that -- >> (Indiscernible). >> Troxclair: Council member Houston? >> Houston: Does it have to be two, two-year extensions? I mean, yeah, could it be a one-year extension? >> Yes, we have the option of exercising one, both or none of the extensions. The authorization would be for the initial three-year term and then we would have the options available to us if you wish to amend your consideration of the recommended contract to exclude one or both of the options. I can't conceive why that would be a problem. Would you? No. So the recommendation for the initial 36-month would be the term of the contract, and then it would be council's discretion as to whether you wanted us to revisit competition at that point or if we wanted to exercise one or both of the options at that point. >> Houston: Thank you so much. You're so tall I can sometimes barely hear you. [Laughter] >> I'm sorry. >> Troxclair: So she is suggesting that we only approve a 36-month contract and not include the two 12-month extensions. Do you feel like there -- is there any benefit to the city in including those two 12-month extensions? Or is there -- vice versa, is there any detriment to us excluding the extensions? >> Those -- those contract terms are optional at this

[4:17:09 PM]

point, so there would be no commitment to those. They would be available to the city if they were in the city's best interest to do so. So if you wish to exclude those from your authorization, the resulting contract would still be generally as was contemplated when we went on the street. We went on the street with the current solicitation with the understanding that we would be committing ourselves to a 36-month initial term. So we did not commit ourselves to subsequent terms so we would still be conceptually within the general scope of what we solicited. >> Troxclair: And so correct me if I'm wrong, but the idea of entering into -- or entering into a contract with an extension option that is delineated at this time would preclude -- or prevent the price -- it protects -- protects the city from price increases in

the future. So after the 36 months are over, we run the risk of the \$200,000 extension being \$300,000? >> Correct. >> Pool: I can move that we move forward on this. >> Troxclair: Is there a second? >> Houston: As it's currently written? >> Yep. >> Houston: I won't be able to support that. >> Pool: So you don't want to have the two extensions on it. >> Houston: Correct, I would like -- >> Pool: Okay. Would you like to -- >> Houston: I would like to make a friendly amendment. >> Pool: I'm open to hearing it. >> Houston: All right. I'd like to move that we approve the 36-month contract. >> Pool: All right. I accept that friendly amendment. >> Houston: Thank you. >> Troxclair: So one -- one last question. -- Well, I guess it's just more -- more of a clarification for my committee members. In general, in the future, I don't want to be considering something -- a new proposal for the first time and voting on it at the very same meeting. I want to be able to bring up new resolutions, discuss

[4:19:10 PM]

them, have time to think about them and take a vote at the next meeting. In this particular instance we have already discussed this item in front of council. We've already had time to have our questions answered, so I just wanted to make sure that we're not setting a precedent of voting on things right after we discuss them. In the future, the new proposals will be thoroughly discussed and vetted and not voted on in the same meeting, if at all possible. But otherwise I'm ready to take a vote. So all -- >> Houston: Just as a final >> Casar: Just as a final comment, I'll be presenting the chair a resolution to consider expanding our definition of local preference to the E.T.J., and I feel for the local business that is pretty close to the airports, and it's unfortunate the way our current policy is structured. If this had been issued -- if it had been issued in a different way we could perhaps make a very good argument for best value not being with the current vendor and rather than being with a local vendor. So I hope that within three years -- hopefully within three months we have the E it. It -- E.T.J. Issue sorted out and I feel for the vendorthat came in second. And I hope that in three years -- >> Three months. >> No, in three years when this contract comes back up, I hope we'll have some vigorous local competition inside the city, and if the council decides, inside the E.T.J. As well. >> Troxclair: It sounds like we will be having a more robust conversation about this, but I would be curious, it sounds like a good idea of including businesses in the E.T.J. I would be curious what the differences are -- what the tax differences for a city that's located within the city limits and a city that's located in the E.T.J., if -- and if there are opportunities to maybe give them preference -- not -- different levels of preference, that we have other options besides just including them in the current local preference,

[4:21:11 PM]

because there may be -- they may be -- the people inside the city -- the businesses inside the city limits probably are paying more taxes to the city and that would be something to consider as well. So -- any other comments before we vote? Okay. So all of those in favor of approving the 36-month contract with cdw but excluding the two contract extensions, please raise your hand. All right. Passes unanimously and we will recommend this to the full council. >> Thank you. >> Thank you. >> Troxclair: All right. That leads us to the next agenda item, which is discussion regarding the economic development department request for proposal for research on the creation and development of cooperatively owned businesses. Do we have anybody from staff who would want to speak on this? Or councilman Casar -- >> Casar: I can just lay it out very briefly, I think it will be a brief discussion and I know council member pool has a meeting to get to. But if we could just briefly hear from economic development. I know that council included in the budget \$60,000, I think that's right, for -- to promote cooperatively owned businesses in town, and I know that there wasn't very much guidance to how that money would be spent but that a stakeholder group was brought together to determine the best use of that money. Is that correct? >> Yes, good afternoon. Sylvia hoatrab, assistant director with economic development. You're correct, on June 12, 2014 council approved a resolution directing the city manager to convene

[4:23:12 PM]

stakeholders to develop recommendations that detailed the ways the city can promote the development of new and existing cooperative businesses and to report to the mbe, WBE and small business council committee. So on June -- July 16, 2014, we requested an extension because of timing, and on August 14 we held a stakeholder meeting. We also presented to the subcommittee on December 12 our recommendations that we heard from the stakeholder, which is included in the rfp. And so the request included research of national best practices for governmental support of cooperatives and businesses, and the submission of a report to the city, develop marketing strategies promoting business benefits to cooperatives, develop a training curriculum and to research the current and potential funding methods. So all of those requirements were included in the rfp, which has closed. It has been evaluated by purchasing and legal department to ensure that the department followed the request as outlined in the resolution. >> Casar: Great. No, and I understand very well why the first step might be to research best practices and to, you know, fulfill essentially what you heard in the stakeholder committee, and I just handed out to my colleagues the memo which we got from Mr. Johns which laid out what the stakeholders wanted us to consider doing with the \$60,000, which is, you know -- which you already laid out promoting cooperative visibility, supporting co-ops, business educational resources, accessing to funding and since then we've issued the rfp to hire a consultant to study these things, but since then it's come to my attention that one of the stakeholder groups that you all brought together got a

[4:25:13 PM]

bunch of grant funding and has actually issued a study that's listed in our backup that does a lot of the work that we have issued an rfp for. And so if any of my colleagues want a copy of that report, it really has lots of detailed suggestions to do exactly what we've issued an rfp for. National best practices on marketing strategies, how this has been done all over the country. So one of my concerns is that the last council budget at \$60,000 -- budgeted \$60,000 for us to support co-ops, and we might be -- we've issued an rfp to do a study of that, but the community has already committed lots of time and money towards doing a study, and I don't want to be in the position of oftentimes withdrawing rfps, but I wanted to hear from my council committee members if we've already dedicated \$60,000 for a study but this work has already sort of been done, if we might want to repurpose that money for other ways to fulfill stakeholder recommendations. Like the other ones that are listed here, providing business and educational resources. We could do that with \$60,000. Access to funding, training curricula. We could do that with \$60,000 instead of essentially contracting with a consultant for a study when there's already been a really fantastic study that's been done, and I know one of the stakeholders is here. We could ask -- who is in the stakeholder group who did the study. We could ask them to read into the record how much money they spent doing their own study, but I know we didn't call Mr. Rogers up, so I could -- >> Troxclair: We are posted for public -- >> Casar: And do we have any public testimony signed up? >> Troxclair: I don't know how to do that. >> (Indiscernible). >> Casar: Well, then, if there -- I'll leave it to

[4:27:15 PM]

the chair. >> (Indiscernible). >> Troxclair: Yeah, I mean, I'm looking at a copy of the agenda. We are posted for public comment on this item, correct? Okay. So if there's someone here that wants to speak? >> Casar: What I'd be really interested in hearing is how much money was already invested in a study here locally and then also, you know, if we were to decide to -- I'm just interested if we are to decide to we purpose this \$60,000, you know, how stakeholders might be interested in us supporting cooperatives instead of doing more studies and hiring more consultants. >> Pool: So your thinking is, council member Casar, that maybe we already have enough information in front of us that we could move forward and actually engage the activity? I would certainly support that. Maybe Mr. Donovan can help us. >> Kevin Johns, just one point of order. There were two local firms that did bid on the -- on the rfp, and that -- they have both submitted -- one of them is here today. One of them is not. So just to be fair, whatever is stated here today, I hope that the other local company also has a chance to have a voice. >> Casar: Mr. Johns, I guess my question is since -- maybe this is for legal, is considering -- I don't know how the no contact period works once an rfp has closed and if we have to have another public hearing if we want to hear from everyone. I guess I'm not that -- I'm more interested in the city's interest in spending \$60,000 on something that we may already have more than what the applicants have to say about it. But -- not to sound harsh, but -- >> Community members, robin Harris with the law

department again. The anti-lobbying ordinance specifically applies to contact outside of a public hearing. Now, all of the vendors who submitted proposals for this

[4:29:15 PM]

project were notified on Friday that this meeting was taking place and there would be time for public -- public comments. So taking comments here today would not endanger -- would not put anyone at risk, you know, as far as an advantage one way or another. I couldn't say. >> Casar: Yeah, I guess my question was related to what Mr. Johns brought up about we have one person here who did apply and someone else who did not, and that both voices -- he suggested that both voices be heard. We don't really have an opportunity for both voices to be heard except in public -- in a public hearing, is what you're telling me. >> The proposal could submit something to the buyer, to the designated contact person within the city and communicate that way, if there are specific questions. As long as the communication there is just that one point that everything has to go through. So as long as everything is flowing through that -- through that particular contact person, and it doesn't have to be individually, you know, one-on-one. It can be with all of the committee members sitting in a room with the designated contact person from purchasing and the other vendor, or multiple vendors, if that's what they choose to do. >> Casar: Okay, thank you. >> Troxclair: I had a couple quick questions for you, if you have just a second. But I also -- can you tell us the time limit on this? I'm trying to be respectful of council member pool's time. I know she has to run to a meeting at 4:30, but I know that council member Casar was wondering -- I think we would be able to take action today -- >> Casar: Or just have the discussion. I think for us to take action on withdrawing an rfp would probably have to be posted. I just wanted to have a discussion here in committee, and my preference, but I don't want

[4:31:15 PM]

to state my preference too solidly before we have, I guess, public discussion -- discussion amongst council members. My preference is not to spend \$60,000 on a consultant if we have \$60,000 to invest in cooperative businesses. So that's -- that's just my preference and I wanted to get the temperature from council -- from my committee colleagues on doing that. I might bring a resolution straight to the council. >> Pool: I would just say that I would like to talk with the folks who -- in particular some who are sitting here at some point to know how that fits in with -- I mean, it sounds like a good idea, but this is -- I hadn't reviewed it before now. >> Well, currently we're scheduled to have an evaluation committee meeting on April 23 and bring it back to council on June 11, because such a public item that we met before the subcommittee, so we thought it would be just to bring it back to council once the evaluation is done and we are at the point of proceeding. But I would defer to law if at this point we could suspend

the rfp. That's -- I would defer to law on that. >> Troxclair: So if we heard testimony today but didn't necessarily take action today and we waited to vote on it until our may 11 meeting, what would be lost? Would we have -- are we moving -- would anything happen between now and then that we would be able to get -- take a vote on may 11 and have something before council before anything happens in June? >> Yes, once the evaluation committee meets and a determination is made, you could at your next meeting, I suppose -- again, I'm going to defer to law -- if it would be best to suspend now if you want to suspend or wait till we go through the evaluation. >> Troxclair: Okay. Okay. Well, I guess -- council member Houston? >> Houston: I just have to ask a question because I'm unclear.

[4:33:18 PM]

Has -- so we've let the proposal and people have responded to the proposal. >> And according to Mr. Scarborough, our new purchasing officer, we could pause the evaluation time to give you more time to deliberate. So we don't have to meet on April 23. We could wait to evaluate the proposals. >> Houston: Okay. You could pause the proposal. We could have some other conversations, and then we could get back. Because I've not seen it at all. I would like to pause the process so that we can at least have a time -- a chance to look at it. If that's okay with legal. Where -- oh, there he is. If that's okay with you. Again, I want to know the risk of doing it or not doing it, because I hate to spend taxpayers' dollars if we've got something, but I don't know, I haven't seen anything. I'm clueless, okay? >> And I understand, council member Houston. I don't believe that there is any risk in pausing the process, no legal risk -- excuse me, no legal risk in pausing the process at this point. Operationally I can't say one way or the other. >> Pool: I do have a question. >> Troxclair: Council member pool? >> Pool: So if we pause the process, does that mean we are no longer in a no contact period and we could have some more substantive conversations on the item? >> If the intention is to preserve the current solicitation and the decision would be to at some point go forward with it, the no contact or the anti-lobbying ordinance would remain in effect throughout the pause. The offers as they come in, they are good for a period of time, so we're well within that period of time. We just received the proposals a couple weeks ago. So we can -- we could just delay further evaluation to

[4:35:18 PM]

determine whether we're going to complete the evaluation and bring forward an award recommendation, or if we decide that we no longer need this recommendation, we can cancel the solicitation. >> Pool: And it sounds like from what council member Casar was saying we may already have the information we need in order to move forward. Will staff be assessing the document with an eye to answering that question as well? I see Mr. Johns nodding his head. Okay. Because I think that is --

that would be the question I would have. Maybe council member Houston as well. Thank you. >> Troxclair: And I guess my question, and it may be good to hear from the people who are here to testify first, but I just want to better understand what our -- what our Normal practice is with this. If we've been in this situation before, I certainly -- I've seen the report. I'm sure that a lot of time and effort has gone into it, but we are putting the city in the position of -- I mean, it's a third party that's put this together, so how -- what is the Normal practice -- I mean, are we putting the city in the position of relying on a report that has -- was prepared by a third party or were they answering the same questions that the city set out to originally answer or -- I just -- that's kind of where my disconnect or my question is right now. >> Well, we would have to go item by item because from the city's perspective, we are looking for what are the best practices for the city to implement. In the report it seems a lot of general information. There are a couple of scenarios listed, but we would have to dig a little deeper on the types of funding that was used in other cities because we may not have the same types of funding, and maybe the producers of the report can speak to that, but I don't know if they can speak to that. I'd defer to purchasing. But we just would need to

[4:37:19 PM]

look, because again, when this question first came up, we had law to look at what the resolution called for and what was in the rfp, and it seemed to align, but we can go back and have them do a second look. >> Troxclair: So I'm sorry, the last thing that you said, you said that the legal department looked at the third party report -- >> No, it looked at the presentation we made to council, what was called for in the resolution as compared to what was in the rfp, so council said go forth, have a stakeholder process, get feedback, make a presentation to the subcommittee, articulate the concerns from the stakeholder meeting. Then craft -- because the amount was stated in the budget but for no particular entity, we reached out to budget and reached out to purchasing, advising the best way to proceed and an rfp was then developed based on what was requested or articulated in the stakeholder process. >> Troxclair: Okay. So I mean, I certainly support saving the city \$60,000 if this report answers those questions, but it's not clear to me at this point if the report that has been prepared by this third party is responsive to the questions that were outlined in the rfp or in the stakeholder process. Council member Casar? >> Casar: I looked through the scope of work and I can email you all, but I did try to check off from the scope of work what -- either way it would be a third-party report where issuing an rfp for a third party to do a study -- to look at governmental support of cooperatively owned businesses, marketing strategies, types of training, funding methods, specific ways the city of Austin can support cooperatively owned businesses, a marketing strategy for promoting the benefits, a training curriculum, and then current and potential funding methods available to co-ops. And it seems to me this report that was already put out by a nonprofit grand funding seems to really address every single one of those except the specific training curriculum.

[4:39:19 PM]

So, you know, even though it's not in response to this rfp, it seems to cover most of the scope of work. So that was the reason I brought the item up. >> Troxclair: Yes? >> Just if I may make a quick clarification. There are two regulatory issues for our consideration with regard to the proposals, and currently evaluation 1 is the anti- -- currently the evaluation 1 is the anti-lobbying ordinance -- I'm trying to get closer to the mic. One is regard to the anti-lobbying ordinance and it governs the exchanges between the offers or their (indiscernible) Council and city staff outside of a public meeting so we've addressed that already. The other is the statutory obligation to maintain the confidentiality of their proposals. So if they determine at their discretion that they wish to talk about their proposals or their approach with you, that would be within their discretion to do so, but staff, because of our legal obligation to observe the confidentiality of the proposals, we wouldn't necessarily be in a position to further elaborate or rebut or further support their comments. It may also, then, preclude our ability to maintain the confidentiality of their proposals after today's date if they choose to come up here and convey the contents of their proposals. There may be some legal interpretation there, but it's our understanding that as soon as they start discussing the contents of their proposals, then that legal protection may be at some point diminished. So if they wish to do so, then that's certainly -- and you wish to hear their comments, then that's certainly something that you can do and they can determine. But I just wanted all parties to be aware that that -- that staff is recognizing the confidentiality of their proposals. If they choose to discuss the contents of their proposals, our ability to continue recognizing the confidentiality may be impacted. >> Troxclair: Okay. Thank you for that clarification.

[4:41:20 PM]

>> Sure. >> Troxclair: Okay. I guess we'll hear from members of the public who wish to speak, and I don't -- I haven't been in the habit of calling people up before, so I don't know where people's names are or how I call them up. Can anybody -- >> Normally it would be on a little card that's submitted. I'm Brian Donovan with Austin cooperative business -- >> All right, Brian Donovan with Austin cooperative businesses. >> Yes, Austin cooperative business association. >> Troxclair: Oh, okay. >> I'm the executive director of the group, and these are all participants in our response that we gave. I'll just mention them briefly. Car loss Perez Dell lay hoe is with cooperation Texas in the report that was the backup. Sean garrison is with pegasus planning and development and Beth Corbett is also with Austin cooperative business association. I'm going to stand over here to the side so the mic will be a little bit up closer to me. So I think that this report -- or before the rfp was posted, we believe that -- believed that something would come back to council to shape what the posting would be, and did meet with several council members, including council member Casar, and mentioned that this report was about to come out that did, in fact, meet some of the requirements, in the hope that maybe the rfp could be changed. However, once the rfp was issued we decided that we should respond to the rfp as it was written, that this report

is a piece of that response, but it doesn't really -- it doesn't meet all of the responses. And I think that we've now put together a team of people that will be able to

[4:43:21 PM]

address -- expand on the report that's been done by cooperation Texas, about worker cooperatives, and include information about other types of cooperatives, and this research could be a useful educational process for all of us to do, or whoever would receive the bid, as well as the city. And I think that while in the end I want to be sure that the recommendations that are made get adopted to be able to really start being able to create more fair jobs and asset building in our communities, I think that the rfp doesn't necessarily have to be removed. It's a six-month period of research, and so it's not that long, but it would -- it wouldn't end until after the next budget cycle. So recommendations wouldn't be in place for the next budget cycle. That is a little bit disappointing. But that isn't to say we couldn't come back with recommended -- with a budget proposal even before the research was turned back in. >> Troxclair: Okay. Any questions? Council member Casar. >> Casar: I guess my question is, so you -- so \$60,000 of additional research is what -- is what your team has -- has applied -- has applied to do. What I brought up with my colleagues is since a good deal of research has already been done, that we might consider repurposing the \$60,000 for something other than additional research that would still benefit worker cooperatives in the ways that the stakeholder group brought up. So you being a part of the stakeholder group, I guess

[4:45:21 PM]

I'm just interested in whether your feeling of the group was that we need \$120,000 worth of research on these recommendations or if the research that we have right now is sufficient and that we should move on with trying to implement some of those with the \$60,000 we have left. >> Well, I think that there's two parts to that -- actually I meant to answer your question of how it was spent, because \$55,000 was spent in doing the research that cooperation Texas did, the beyond businesses usual, which does include recommendations for worker cooperatives. But there are other types of cooperatives to be started and expanded. And I think that thinking of this \$60,000 as the sum of what will be spent on cooperatives, I can tell you that is not the goal of acba, that -- and the research -- the additional research that would be done would be able to allow us to have a better understanding of what should be recommended, and hopefully allocate funding for things that will really maximize the impact. At the Austin co-op summit yesterday, there was actually a panel with city staff and co-op developers from three different cities that are presently supporting cooperative economic development, to help close the income gap in their communities, and I learned a lot just from that, and I think that there's -- there's

more that can be learned from that. A lot of that investment is going into worker cooperatives, but not - but not all of it. And so I think that it may feel like \$120,000 of research before action is taken seems like a lot, but I think that withdrawing the rfp and reissuing it just

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delays it -- or delays the process of coming to an understanding of the value of promoting cooperatives on council and staff and in the cooperative community, and I think we have an opportunity now to kind of come up together to a set of recommendations that will mean implementation will be more effective down the line for promoting member-owned businesses and the value of member-owned businesses.

>> Troxclair: Okay. Thank you so much. >> Thank you. >> Troxclair: Is there anybody else here wishing to speak? Okay. >> Casar: I'll just mention that -- as I said before, we'll discuss -- and I'll discuss with council colleagues about whether or not to put a resolution on council's agenda. I think it was helpful to have the public testimony and to hear from staff, and we can just sort of decide whether to bring something back to this committee or back to council about -- just letting the -- otherwise I think the rfp will just proceed, and so we will -- I guess the point being, the rfp will proceed unless we decide otherwise, and that's something that I'll chew on and talk with you all about after the committee, in between now and when we would vote on the final rfp, which I think my understanding is it comes back in may or June. >> Troxclair: Were you wanting to speak? >> Yes. >> Troxclair: Sure. >> Hi. Good afternoon. >> Troxclair: Hi, how are you? >> I'm Carlos Perez, I'm the executive director for cooperation Texas and one of the co-authors thoj for this report, beyond business as usual. And I wanted to clarify some things about the contents of the report, which I can

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share with all of you if you're interested. It's free to download on our web site. The primary purpose -- or focus of the report is really looking at first of all measuring the economic impact of cooperatives generally in the city, which is the first time this has ever been done despite the fact co-ops have been a part of the Austin economy since the late 19th century. And so we wanted to get a better picture of co-ops generally in the city. However, we were looking specifically at ways to take advantage of the potential of worker-owned cooperatives in particular, that is businesses where people do the day-to-day work equally and have a financial stake and key decision in the form of one member one vote, taking democracy to the workplace. We've outlined a number of recommendations that are specific to worker own cooperatives. A big part is focused on leveraging the assets within the broader cooperative economy to leverage that -- which would lift the cooperative economy as a whole. So I think one of the things that is in the -- the rfp that to a large degree we have dealt with through our organization is we

have a curriculum that we've been operating now for over five years, and through that curriculum we've helped start five worker-owned cooperatives here in the city whereas before there were none. Now that curriculum is specific to, again, worker-owned cooperatives, which is just one of many times, housing co-ops, credit unions, consumer owned co-opposite and so on. There's a worker cooperative development, not for other types of co-ops and the bulk of recommendations that are in the report are fairly specific to worker owned co-ops in particular and ways that the city can get involved in supporting job

[4:51:23 PM]

development through worker co-ops. So I just wanted to clarify some of that. >> Troxclair: Thank you. All right. Well, I think that that will include our economic opportunity committee hearing. Our next scheduled meeting will be on may 11 right here from 2:00 to 5:00 P.M., and just a reminder that we will -- we do -- we will be going forward have a hard stop at 5:00 P.M. Because we have the public safety committee that meets in this room starting at 5:00. And thank you to everyone who was here today, and we'll see you next time. Oh, I'm supposed to say let the record show that the committee on economic opportunity adjourns at 4:51 P.M. Thank you.