



**City Council Questions and Answers for  
Thursday, April 23, 2015**

These questions and answers are related to the  
Austin City Council meeting that will convene at 10:00 AM on  
Thursday, April 23, 2015 at Austin City Hall  
301 W. Second Street, Austin, TX



**Mayor Steve Adler**  
**Mayor Pro Tem Kathie Tovo, District 9**  
**Council Member Ora Houston, District 1**  
**Council Member Delia Garza, District 2**  
**Council Member Sabino "Pio" Renteria, District 3**  
**Council Member Gregorio Casar, District 4**  
**Council Member Ann Kitchen, District 5**  
**Council Member Don Zimmerman, District 6**  
**Council Member Leslie Pool, District 7**  
**Council Member Ellen Troxclair, District 8**  
**Council Member Sheri Gallo, District 10**

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

## **QUESTIONS FROM COUNCIL**

1. Agenda Item # 4 - Authorize execution of a 12-month interlocal agreement with the Austin Independent School District and the Capital Metropolitan Transportation Authority for the establishment of and participation in the Conversation Corps in an amount not to exceed \$15,000, with two 12-month extensions in an amount not to exceed \$15,000 per extension, for a total amount not to exceed \$45,000.
  - a. QUESTION: What are the performance measures which will show that engagement of diverse populations and dialogue with the Conversation Corps is what was anticipated? COUNCIL MEMBER HOUSTON'S OFFICE
  - b. ANSWER: The goal of the program is to provide representative participation both geographically and demographically. In terms of geographic distribution, Leadership Austin has already trained 48 facilitators representing all districts within Austin. The program administrator (Leadership Austin) will be tracking demographic distribution of participation and reporting back to the Steering Committee. There is no hard trigger within the agreement for continuation or cancellation, as we anticipate the program to evolve and adjust as we learn during the first year of implementation. Demographic representation, as well as quality of feedback and general participation will all be factors in the Steering Committee's decisions for extension in years two and three of the agreement.
  - c. QUESTION: What does the 45k cover exactly? What amount of funding are the other agencies providing? COUNCIL MEMBER GALLO'S OFFICE
  - d. ANSWER: The \$45,000 (\$15,000 per year) covers our portion of the cost of contracting with Leadership Austin for the administration of the program. That includes: - A part-time staff member to manage daily operations; - Coordination and delivery of training curriculum (two sessions monthly); - Coordination of activities and meetings of the Steering Committee; - Logistical support and assistance in preparation and delivery of materials for monthly conversations; and - Assistance in marketing and communications (including website content administration). At this time, Capital Metro is also providing \$15,000 per year. AISD was unable to secure funding for FY2015 but is

pursuing a matching amount in their next budget.

2. Agenda Item # 6 - Authorize award and execution of a construction contract with TEXAS GAS SERVICES for installation of a natural gas line in Zilker Metropolitan Park in the amount of \$150,000 plus a \$15,000 contingency, for a total contract amount not to exceed \$165,000.
  - a. QUESTION: What is the history of the 'sole source' status? Are these the initial contracts for these vendors? COUNCIL MEMBER HOUSTON'S OFFICE
  - b. ANSWER: Chapter 252 of the Local Government Code requires the City to comply with competitive procedures before entering into a contract over \$50,000 unless the expenditure falls within an exemption as listed in Section 252.022. One of the listed exemptions is for the procurement of items available from only one source. The Parks and Recreation Department submitted a Certificate of Exemption for a sole source contract with Texas Gas Services to install a new gas supply line into Zilker Park. The Contract Management Department reviewed the request and determined that since the new service pipes must be installed from Texas Gas Service's existing main by Texas Gas Service, the request met the requirements of the sole source exemption. Council's approval of this Request for Council Action will result in a one-time contract for Texas Gas Service to install the gas lines within the Zilker Park property to meet the current natural gas needs.
  - c. QUESTION: 1) Barton Springs and surrounding areas of Zilker Park (which is a National Register District) are known to contain significant archaeological sites. Has the Texas Historical Commission been consulted to ensure that this does not require additional review per the US Department of Interior Antiquities Act? 2) Does a utility project of this nature require a Chapter 26 hearing? MAYOR PRO TEM TOVO'S OFFICE
  - d. ANSWER: 1) The Parks and Recreation Department (PARC) has consulted with the Texas Historical Commission's Archeology Division. A representative made a site visit to Zilker Metropolitan Park and determined that the Texas Historical Commission has no concerns and that no archeological survey will be required for the gas line installation. 2) This being a PARC sponsored project, a Chapter 26 hearing is not required. Texas Gas Service will provide a Declaration of Utility Location to memorialize the new line installation.
3. Agenda Item # 8 - Authorize negotiation and execution of a design and commission agreement with Virginia Fleck in an amount not to exceed \$68,000 for artwork for the Women and Children's Shelter Renovations and Expansion Project at 4523 Tannehill Road, Austin, TX (District 1).
  - a. QUESTION: What are any restrictions to placing art on a playground. Could these funds be better used to promote an arts class or child collaborative art

project at the shelter instead? COUNCIL MEMBER GALLO'S OFFICE

- b. ANSWER: The artist commissioned for the Women and Children's Shelter Art in Public Places project will work closely and collaboratively with the project's landscape architect, City staff, and consultants to ensure that the artwork is designed, fabricated, installed and integrated into the site to meet any applicable safety and accessibility standards and requirements. The artwork is not yet in design, but the commissioned artist is charged with addressing the established project goals, which include enhancement to the play area, safety, durability, and compatibility with the facility's mission. Chapter 7-2 of the City Code sets out the guidelines for Art in Public Places and defines "art" as, " a work of art or an artistically designed art feature that enhances the aesthetics of a building, bridge, streetscape, park, or other project for which funds are appropriated as described in this chapter and includes a mural, sculpture, garden, water feature, or other feature that appeals to the senses or the intellect. The budget is derived from 2% of the bond-funded construction funds, therefore, the public art monies cannot legally be used for facility art programming or classes that are outside the scope of the capital improvement project. However, the artist commissioned by the Art in the Public Places project will be encouraged to involve the facility's clients/users as a resource to help inform her design direction or process.

- 4. Agenda Item # 13 - Approve a resolution consenting to the issuance, by Austin Affordable PFC, Inc., an affiliate of the Housing Authority of the City of Austin, of \$25,000,000 in Multi-family Private Activity Bonds to finance, in part, a proposed multi-family rental development to be known as the Reserve at Springdale, located at 5601 Springdale Road (District 1).

- a. QUESTION: 1) Have these bond funds been approved by voters? If so, at which bond election? What was the Proposition number? 2) What is the current outstanding bond balance for the Housing Authority of the City of Austin (HACA) for the last five years? 3) What is the plan for bond debt repayment? What is the term (in years)? What is the consequence of default (i.e., failure to repay the debt) by "Reserve at Springdale, LP"? 4) Who are the "partners" of the "Reserve at Springdale, LP"? 5) If indeed the "City of Austin is not being asked for funds for this project, and the bond issue will in no way be considered a debt or liability of the City" then why would Section 147(f)(2)(a)(ii) of the Internal Revenue Code—which allegedly requires the bond issuer to obtain the approval of the local jurisdiction in which the development will be located before bonds can be issued—even come into the picture? COUNCIL MEMBER ZIMMERMAN'S OFFICE

- b. ANSWER: See attachment

- 5. Agenda Item # 14 - Approve negotiation and execution of a 60-month lease renewal with MF AUSTIN RIDGE, LLC and PB AUSTIN RIDGE, LLC for 6,734 square feet of office space for the Child Protection Team of the Austin Police Department, located at 8509 FM 969, in a total amount not to exceed

\$560,486.30 (District 1).

- a. QUESTION: What was the start date of this lease? Is the amount below, at or above market rate? COUNCIL MEMBER HOUSTON'S OFFICE
  - b. ANSWER: The effective date of the original lease agreement was April 1, 2010. The starting renewal rate is at market value.
  - c. QUESTION: Why does the cost of the 60-month lease renewal for the property at 8509 FM 969 come to \$16.62 per square foot of space? What is the market-rate value? COUNCIL MEMBER ZIMMERMAN'S OFFICE
  - d. ANSWER: The rent is \$13.79 per square foot per year. It is a proposed 60-month lease term on a gross lease plus utilities basis with annual rent escalations, which is within the rental rate range concluded by the appraiser of \$13-\$15/SF/Yr. The Landlord paid expenses are taxes, insurance and common area maintenance. The tenant is responsible for utilities and voice/data services. The rent study analysis has an effective date of February 2015. The rental comparables consisted of five, similar typed, multi-tenant office buildings. They are located east of IH-35, in proximity to US 183 and US 290, and north of the Colorado River. The base rent for the comparables were then adjusted for the characteristics and lease terms that differed from the subject property, including the manner in which expenses were considered. The base rent range prior to adjustments was \$12-\$18 per square foot.
6. Agenda Item # 15 - Authorize negotiation and execution of a 24-month lease renewal with Glenn and Britta M. Herzog for horse stable and arena facilities located at 8011 East Parmer Lane, Manor, Texas, for use by the Austin Police Department's Mounted Patrol Unit, in an amount not to exceed \$108,000.
    - a. QUESTION: How many horses are in the Mounted Patrol Unit? COUNCIL MEMBER HOUSTON'S OFFICE
    - b. ANSWER: There are 15 horses in the Mounted Patrol Unit.
  7. Agenda Item # 16 - Approve an ordinance authorizing the negotiation and execution of all documents and instruments necessary or desirable to purchase in fee simple the property located at 11701 Charing Cross Road, in the Barrington Oaks Subdivision, from Dolores Firth and Rodney Firth, in an amount not to exceed \$328,000, subject to the guidelines of the Uniform Relocation Assistance and Real Property Acquisition Policy Act and waiving the requirements of City Code Chapter 14-3 (District 10).
    - a. QUESTION: 1) How long have Dolores and Rodney Firth owned the home? 2) Did the owners get seller's disclosure indicating previous flooding? 3) Please explain the amount of the fair market value of \$295,000. In 2014, the assessed value of the home was \$206,663 according to the Travis Central Appraisal

District. This translate into a 43 percent increase from the 2014 assessed value of the home. 4) Please provide a map indicating where this home and the other four homes (mentioned in the backup) are located in reference to the 100 year flood plan. 5) Are the other four homes, mentioned in the backup, currently in the same process of being acquired by the City? 6) What is the estimated total cost to the City after all five of these homes are acquired? 7) Please provide more historical context relating to City staff's interaction with this property. COUNCIL MEMBER GALLO'S OFFICE

b. ANSWER: See attachments

8. Agenda Item # 19 - Authorize award and execution of a 36-month contract with KINLOCH EQUIPMENT AND SUPPLY, INC. to provide original equipment manufacturer parts and repair services for Elgin street sweepers and Vactor sewer cleaners in an amount not to exceed \$605,370, with three 12-month extension options in an amount not to exceed \$201,790 per extension option, for a total contract amount not to exceed \$1,210,740.

a. QUESTION: 1) What is the history of the 'sole source' status? 2) Are these the initial contracts for these vendors? COUNCIL MEMBER HOUSTON'S OFFICE

b. ANSWER: 1) Chapter 252 of the Local Government Code requires the City to comply with competitive procedures before entering into a contract over \$50,000 unless the expenditure falls within an exemption as listed in Section 252.022. One of the listed exemptions is for the procurement of items available from only one source, an exemption under which this contract falls. All purchases for Elgin and Vactor products have been made through Kinloch. They are the sole distributor and provider of parts and services for the state of Texas for Elgin and Vactor products per the manufacturer. Our records reflect that we have purchased from Kinloch since 2006. 2) No, this is Fleet's third master agreement with Kinloch.

c. QUESTION: 1) Would ask how this 3 yr contract amount compares to prior 3 year expenses. 2) What is the fiscal advantage to entering into a contract to purchase versus purchasing as needed? COUNCIL MEMBER GALLO'S OFFICE

d. ANSWER: 1) The prior three year expenses were approximately \$400,000. The item before you is based on historical repairs, unanticipated repairs on aging equipment, and an allowance for economic price adjustments. This contract will provide parts for in-house repairs and commercial repairs to supplement our in-house capacity and capability. 2) Contracts provide volume discounts and lower prices.

9. Agenda Item # 20 - Authorize award and execution of a 36-month supply contract with KLEPZIG INC. to provide decomposed granite gravel in an amount not to exceed \$741,408, with three 12-month extension options in an amount not to

exceed \$247,136 per extension option, for a total contract amount not to exceed \$1,482,817.

a. QUESTION: 1) Is this the initial contract for this vendor? 2) Is the vendor local? 3) What is the decomposed granite gravel going to be used for and where? 4) Was this the lowest bid? COUNCIL MEMBER HOUSTON'S OFFICE

b. ANSWER: 1) Klepzig Inc. is the current provider of this commodity and is not the initial contract for this vendor. 2) The vendor is located in Georgetown, Texas. 3) The granite gravel is a surfacing material used for the hike and bike trails and is used in daily field operations to support and restore trail conditions and greenbelts such as Lady Bird Lake Hike and Bike trail, Zilker Park and Fiesta Gardens. Street& Bridge and Watershed uses the material for maintenance and construction projects which is used on walkways, trails, driveways, and on site restoration from sidewalk repairs. Aviation use the granite gravel for the walking path in front of the Parking Garage and in some cases the Shuttle Bus Parking Stops. The granite gravel has a visual value and it provides a walking path in some applications and other projects in the airport outside common areas. 4) Klepzig Inc. is the lowest bid received.

10. Agenda Item # 22 - Authorize award and execution of Amendment No. 2 to a contract with AIR TRANSPORT IT SERVICES, INC., for the expansion of the shared use passenger processing system at Austin-Bergstrom International Airport to add an additional 12 months to the contract term and increase the contract authorization in an amount not to exceed \$314,313, for a revised total contract amount not to exceed \$1,571,568.

a. QUESTION: 1) What is the history of the 'sole source' status? 2) Are these the initial contracts for these vendors? COUNCIL MEMBER HOUSTON'S OFFICE

b. ANSWER: 1) Chapter 252 of the Local Government Code requires the City to comply with competitive procedures before entering into a contract over \$50,000 unless the expenditure falls within an exemption as listed in Section 252.022. One of the listed exemptions is for the procurement of items available from only one source, an exemption under which this contract falls. Air Transport IT Services Inc. (AirIT) Extended Airline System Environment (EASE™) was purchased and implemented after a competitive selection process among the four vendors in the U.S. that provide this very-specialized aviation system in October 2013. 2) The current sole source contract (MA 5600 NS140000008) was awarded on November 22, 2013 to expand the existing EASE™ system.

11. Agenda Item # 23 - Authorize award, negotiation, and execution of a 12-month contract with PROSOURCE TECHNOLOGIES, LLC, or another qualified offeror to Request for Proposal EAD0121, for a disaster planning and recovery

consultant for the Economic Development Department in an amount not to exceed \$140,000.

- a. QUESTION: What are the implications of the language, "...or one of the other qualified respondents to..."? COUNCIL MEMBER HOUSTON'S OFFICE
  - b. ANSWER: This notice language accomplishes two primary objectives. Initially, it provides authorization for staff to enter into negotiations and enter into a contract with the next highest rated offeror, if staff is unable to conclude negotiations with the recommended company. Secondly, this language also gives City Council appropriate notice that should they decide to reject the highest rated offeror, they are posted to proceed to select another offeror. This "or one of the other qualified respondents" language is only included in action items that result from Request for Qualifications (RFQs) and Request for Proposals (RFPs), and is not included for Invitation for Bids (IFBs) items.
12. Agenda Item # 24 - Authorize award, negotiation, and execution of a contract with LIFE TECHNOLOGIES CORPORATON for upgrades and consumables to support the mandatory upgrade of the Applied Biosystems DNA technology program for the Austin Police Department in an amount not to exceed \$116,068.
    - a. QUESTION: 1) What is the history of the 'sole source' status? 2) Are these the initial contracts for these vendors? COUNCIL MEMBER HOUSTON'S OFFICE
    - b. ANSWER: 1) Chapter 252 of the Local Government Code requires the City to comply with competitive procedures before entering into a contract over \$50,000 unless the expenditure falls within an exemption as listed in Section 252.022. One of the listed exemptions is for the procurement of items available from only one source. This purchase is for software and consumables to support a mandatory upgrade to Windows 7 on our Life Technologies instruments for the DNA Lab. This is specialized software and there are no comparable products. Life Technologies is the exclusive distributor in the United States. 2) This is not the initial contract for this vendor.
  13. Agenda Item # 25 - Authorize award and execution of a 24-month contract with UCS FACILITY SERVICES to provide maintenance and custodial services for Austin Water Utility in an amount not to exceed \$1,245,648, with two 12-month extension options in an amount not to exceed \$622,824 per extension option, for a total contract amount not to exceed \$2,491,296.
    - a. QUESTION: 1) Is this the initial contract for this vendor? 2) Is the vendor local? 3) "No subcontracting opportunities identified...", would be interested in the demographics of the workers. COUNCIL MEMBER HOUSTON'S OFFICE



- b. ANSWER: 1) Yes this is this company's first contract for this with the City. 2) Yes. 3) The City does not have demographics information on the contractor.
  - c. QUESTION: Why does the "Price Analysis" show an increase of 21.6 percent from the previous contract awarded July 15, 2013 and 35 minority-owned contractors were solicited and 7 female-owned contractors were solicited - there ended up being zero such contractors ultimately awarded the contracts?  
COUNCIL MEMBER ZIMMERMAN'S OFFICE
  - d. ANSWER: This contract will consolidate the work currently being received under two contracts, the older of which was awarded on February 8, 2012 and the newer awarded on May 1, 2013. The newer existing contract will expire later, on April 30, 2015, at which time the new contract will assume these services. The older existing contract will expire on February 7, 2016, at which time the new contract will assume these services as well. The Purchasing Office submitted a goal determination request to the City's Small and Minority Business Resources Department (SMBR) to assign subcontracting goals, as is the practice with contracting opportunities coordinated by the Purchasing Office. Subcontracting opportunities are determined based on the number of different scopes of work or services required in a project. As this contract was primarily janitorial services only, SMBR determined there to be no subcontracting opportunities but was able to identify over 40 certified MBE /WBE vendors as listed as providing these services in the City's Vendor Connection database. Subsequently, the Purchasing Office notified 42 MBE /WBE certified vendors in total (35 MBEs and 7 WBEs) through the City's automated solicitation system, eCapris. At the conclusion of the solicitation process, the Purchasing Office did not receive any bids from MBE /WBE certified vendors.
14. Agenda Item # 26 - Authorize award, negotiation, and execution of a contract with BRIO SERVICES, LLC DBA BRIO CONSULTING, LLC, or one of the other qualified offerors to Request for Proposals No. JXH0502, to provide consulting services to update the Watershed Protection Department's Information Management Plan in an amount not to exceed \$151,858.
- a. QUESTION: What are the implications of the language, "...or one of the other qualified respondents to..."? COUNCIL MEMBER HOUSTON'S OFFICE
  - b. ANSWER: This notice language accomplishes two primary objectives. Initially, it provides authorization for staff to enter into negotiations and enter into a contract with the next highest rated offeror, if staff is unable to conclude negotiations with the recommended company. Secondly, this language also gives City Council appropriate notice that should they decide to reject the highest rated offeror, they are posted to proceed to select another offeror. This "or one of the other qualified respondents" language is only included in action items that result from Request for Qualifications (RFQs)

and Request for Proposals (RFPs), and is not included for Invitation for Bids (IFBs) items.


- c. QUESTION: Do we have a CTO (Chief Technology Officer) over the utility? If so, could the CTO outline the project, the needs assessment, the feature sets and determine the work required for a software firm to deliver a custom application? If not, could the Chief Innovation Officer lend support for the determination of feature sets for the to-be developed software? Was this consultant role specifically funded in PY budget? Typically, in software development the feature mapping and technical design of the software is a part of the overall software design process, why the added expense of a consultant up front that is not associated with the final technical design and implementation of software? COUNCIL MEMBER GALLO'S OFFICE
- d. ANSWER: Watershed Protection Department (a.k.a. the City's storm water utility) does not have its own CTO but rather works collaboratively with the City's Communications and Technology Management Department (CTM), led by the City's Chief Technology Officer. CTM provides the larger picture planning for the basic Information Technology (IT) infrastructure necessary for all departments. For IT business needs that are specific to a storm water utility such as WPD, that role is carried out by the respective department's IT Manager. This project is not a software implementation project but rather an IT planning effort. Briefly, the project will do the following tasks: a) assess the current state of the WPD's IT infrastructure to develop a baseline picture. This includes a check against the IT plan that was done in 2006 to capture what has been completed, what is still in flight, which projects were deferred or modified and which projects have yet to be started if any; b) gather staff IT needs, categorize business gaps and horizon issues at Watershed Protection that could benefit from IT, identify projects on the CTM IT five to seven year road map which could be leveraged, and document ways in which IT could help the department provide better, cost efficient services to citizens; c) Compare WPD's needs against current trends in technology, in particular, technology trends relevant to storm water utilities; and d) Help the department's IT manager develop a set of recommended projects to be completed in the next three to five years which will provide the most efficiencies or benefits for the least amount of money. The firm that was chosen and is being recommended by this RCA has demonstrated expertise in the realm of IT planning for civil utilities (storm water, water, and wastewater). They have worked with many different cities and utilities doing similar types of planning efforts and have a keen understanding of current best practices for information technology as well as up and coming technologies in which WPD should be investing. The Chief Innovation Officer was involved during the crafting of the scope of work for the services to be provided. It is expected that the planning effort will look at innovative new ways to solve the challenges captured during the research portion of the project.


- 15. Agenda Item # 27 - Authorize award, negotiation, and execution of a 12-month contract with CLEARRESULT CONSULTING INC., or one of the other

qualified respondents to Request for Purchase No. OPJ0111, to implement and manage a point-of-sale incentive program for Austin Energy customers purchasing qualifying energy-efficient products at participating retail locations in an amount not to exceed \$876,456, with four 12-month extension options in an amount not to exceed \$876,456 per extension option, for a total contract amount not to exceed \$4,382,280.

- a. QUESTION: What are the implications of the language, "...or one of the other qualified respondents to..."? COUNCIL MEMBER HOUSTON'S OFFICE
- b. ANSWER: This notice language accomplishes two primary objectives. Initially, it provides authorization for staff to enter into negotiations and enter into a contract with the next highest rated offeror, if staff is unable to conclude negotiations with the recommended company. Secondly, this language also gives City Council appropriate notice that should they decide to reject the highest rated offeror, they are posted to proceed to select another offeror. This "or one of the other qualified respondents" language is only included in action items that result from Request for Qualifications (RFQs) and Request for Proposals (RFPs), and is not included for Invitation for Bids (IFBs) items.

**END OF REPORT - ATTACHMENTS TO FOLLOW**

 *The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.*

 *For assistance, please call 512-974-2210 or TTY users route through 711.*



### Council Question and Answer

Related To	Item # 13	Meeting Date	April 23, 2015
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### Additional Answer Information

**QUESTION: 1)** Have these bond funds been approved by voters? If so, at which bond election? What was the Proposition number? COUNCIL MEMBER ZIMMERMAN'S OFFICE

**ANSWER: 1)** No. Since the bonds are not being paid from tax dollars, no election is required. The bonds will be paid solely from the revenues of the project and will also be secured by the real property. Additional information about private activity bonds can be found on the Texas Department of Housing and Community Affairs' Web site at <https://www.tdhca.state.tx.us/multifamily/bond/faqs.htm>.

**QUESTION: 2)** What is the current outstanding bond balance for the Housing Authority of the City of Austin (HACA) for the last five years? COUNCIL MEMBER ZIMMERMAN'S OFFICE

**ANSWER: 2)** The Housing Authority of the City of Austin's affiliated public facility corporation, Austin Affordable PFC, Inc., recently issued \$41,617,000 in private activity housing bonds for two multi-family rental developments on Ben White Boulevard (Information provided by the Housing Authority of the City of Austin). Note the referenced debt is paid from project revenues.

**QUESTION: 3)** What is the plan for bond debt repayment? What is the term (in years)? What is the consequence of default (i.e., failure to repay the debt) by "Reserve at Springdale, LP"? COUNCIL MEMBER ZIMMERMAN'S OFFICE

**ANSWER: 3)** When the bonds are purchased by investors, the bond purchase proceeds will be loaned to Reserve at Springdale, LP for development of the property. The bonds will be repaid through rent revenues collected over time. The debt is projected to have an 18-year term. The collateral for the loan is the development, so an uncured event of default would result in a foreclosure on the development.

**QUESTION: 4)** Who are the "partners" of the "Reserve at Springdale, LP"? COUNCIL MEMBER ZIMMERMAN'S OFFICE

**ANSWER: 4)** Upon closing the financing the ownership will be as follows:

- The general partner will be Springdale Community Development GP, LLC, a limited liability company controlled by a HACA affiliate.
- The special limited partner will be Ryan Springdale, LLC.
- The investor limited partner will be an affiliate of City Real Estate Advisors.

**QUESTION: 5)** If indeed the "City of Austin is not being asked for funds for this project, and the bond issue will in no way be considered a debt or liability of the City" then why would Section 147(f)(2)(a)(ii) of the Internal Revenue Code—which allegedly requires the bond issuer to obtain the approval of the local jurisdiction in which the development will be located before bonds can be issued—even come into the picture? COUNCIL MEMBER ZIMMERMAN'S OFFICE

**ANSWER: 5)** The key reason is that it is a requirement under the Internal Revenue Code in order to issue tax-exempt debt. The Code requires the Issuer to conduct a public hearing after notice has been published and to obtain approval from the highest elected official or the local governing jurisdiction in which the residential rental development is to be located.



### Council Question and Answer

Related To	Item #16	Meeting Date	April 23, 2015
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### Additional Answer Information

**QUESTION: 1)** How long have Dolores and Rodney Firth owned the home? COUNCIL MEMBER GALLO'S OFFICE

**ANSWER: 1)** Dolores and Norman Firth purchased the property on October 18, 1974 from Bill Milburn, Inc. Norman is her deceased husband. Rodney is the son who came into title by virtue of his deceased father.

**QUESTION: 2)** Did the owners get seller's disclosure indicating previous flooding? COUNCIL MEMBER GALLO'S OFFICE

**ANSWER: 2)** The property was purchased from the builder new and had no known history of flooding nor is it located in the flood plain.

**QUESTION: 3)** Please explain the amount of the fair market value of \$295,000. In 2014, the assessed value of the home was \$206,663 according to the Travis Central Appraisal District. This translates into a 43 percent increase from the 2014 assessed value of the home. COUNCIL MEMBER GALLO'S OFFICE

**ANSWER: 3)** The 2014 Travis County Appraisal District (TCAD) value is based on mass appraisal techniques for valuing the property as of January 1, 2014 as dictated by the State Property Tax Code. The State Property Tax Code only allows TCAD to use sales that occurred prior to January 1, 2014. What this means is that the \$206,000 TCAD value is based 2013 sales information.

The \$295,000 appraised value of the subject property located at 11701 Charing Cross Road performed for the Office of Real Estate Services is based on a the current residential market in the surrounding neighborhood as of March 13, 2015 which is reflective of the 2015 residential market.

Further evidence of the disparity between TCAD appraised values verses recent market sales information is depicted in the attached spreadsheet (see attached spreadsheet *Barrington Oaks Sales*). Recent residential sales range from 19.55% above the 2014 TCAD appraised value to 74.64% above 2014 TCAD appraised value based on recent residential sales in the Barrington Oaks neighborhood. The market is increasing faster than the TCAD appraised values.

The attached spreadsheet (*Barrington Oaks Sales*) also indicates that recent residential sales on average are 43% higher than the 2014 TCAD appraised values in the Barrington Oaks subdivision.

**QUESTION: 4)** Please provide a map indicating where this home and the other four homes (mentioned in the backup) are located in reference to the 100 year flood plan. COUNCIL MEMBER GALLO'S OFFICE

**ANSWER: 4)** These homes are not in the FEMA or City floodplain. The flooding is localized flooding and is not directly associated with a creek. It occurs before the water gets to a creek when runoff from heavy rainfall overwhelms the existing storm drainage system. The stormwater may flow through streets, yards and structures as the water seeks a path to a creek. This may happen because there are not enough ditches or storm drains or because there is something blocking the flow of water. The Charing Cross project was number one priority for the Localized Flood Hazard

Mitigation Program in 2012 and was funded for improvements. The attached map shows the homes in relation to the nearest creek, which is Bull Creek (see attached map labeled *Charing Cross Map 1*).

Please also see attached map (labeled *Charing Cross Map 2*) for a better understanding and view of the area in question.

**QUESTION: 5)** Are the other four homes, mentioned in the backup, currently in the same process of being acquired by the City? COUNCIL MEMBER GALLO'S OFFICE

**ANSWER: 5)** No. At this time the only property being recommended for purchase is the Firth property. It is the one with highest depth of inundation.

**QUESTION: 6)** What is the estimated total cost to the City after all five of these homes are acquired? COUNCIL MEMBER GALLO'S OFFICE

**ANSWER: 6)** The Preliminary Engineering Report (PER) estimate was \$1.88 million; however, the estimate was increased to \$2.2 million with revised estimates by the Office of Real Estate Services (ORES). A current revised estimate has been provided by ORES to reflect the current market (see attached Charing Cost Estimate 2015).

**QUESTION: 7)** Please provide more historical context relating to City staff's interaction with this property. COUNCIL MEMBER GALLO'S OFFICE

**ANSWER: 7)** Watershed Protection Department (WPD) staff started interacting with the property owner, Mrs. Firth, following the 2010 Tropical Storm Hermine, concerning the flooding situation at her home. City staff has been communicating with updates to Ms. Firth and her son Rodney Firth since that time. A preliminary engineering study was conducted by a consulting engineer hired by the City to evaluate three alternatives for alleviating the flooding conditions at her location and four other properties in the immediate vicinity.

The homes were built in a depression, which causes flooding due to excess stormwater runoff flowing towards the homes and collecting at their location. A project to entirely remove the risk of flooding from a 100-year storm event would include large-scale structural solutions such as storm drain upgrades, inlet upgrades, building diversion berms, elevating structures, installing evacuation pumps, or a combination of several of these approaches.

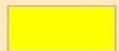
To date, WPD has not been able to identify funding to initiate a project of this scale. The most cost-effective, long-term solution recommended by the consulting engineer was to buy the houses to allow residents peace of mind and the ability to have a fresh start elsewhere, which is what residents indicated they desired. ORES reported that the cost of the buyouts would be higher than what the consulting engineer had assumed in his recommendations, due to the escalating value of homes in the neighborhood. The alternative scenarios mentioned in the PER far exceeded the estimate to acquire the homes for remediation of the flooding issues, to the cost of \$6 to \$9 million dollars.

Due to the urgent need to locate funds for the recovery of the hard-hit areas along Onion Creek, the funds that were available to alleviate flooding in the Charing Cross neighborhood were diverted to the recovery effort. Therefore, the implementation of this alternative was delayed until decisions were made for the Onion Creek buyout. At the same time, WPD was informed that ORES needed to work with the property owners to clear up discovered title issues. The WPD has since identified funds to acquire the property for Mrs. Firth.



## CHARING CROSS SDI PROJECT

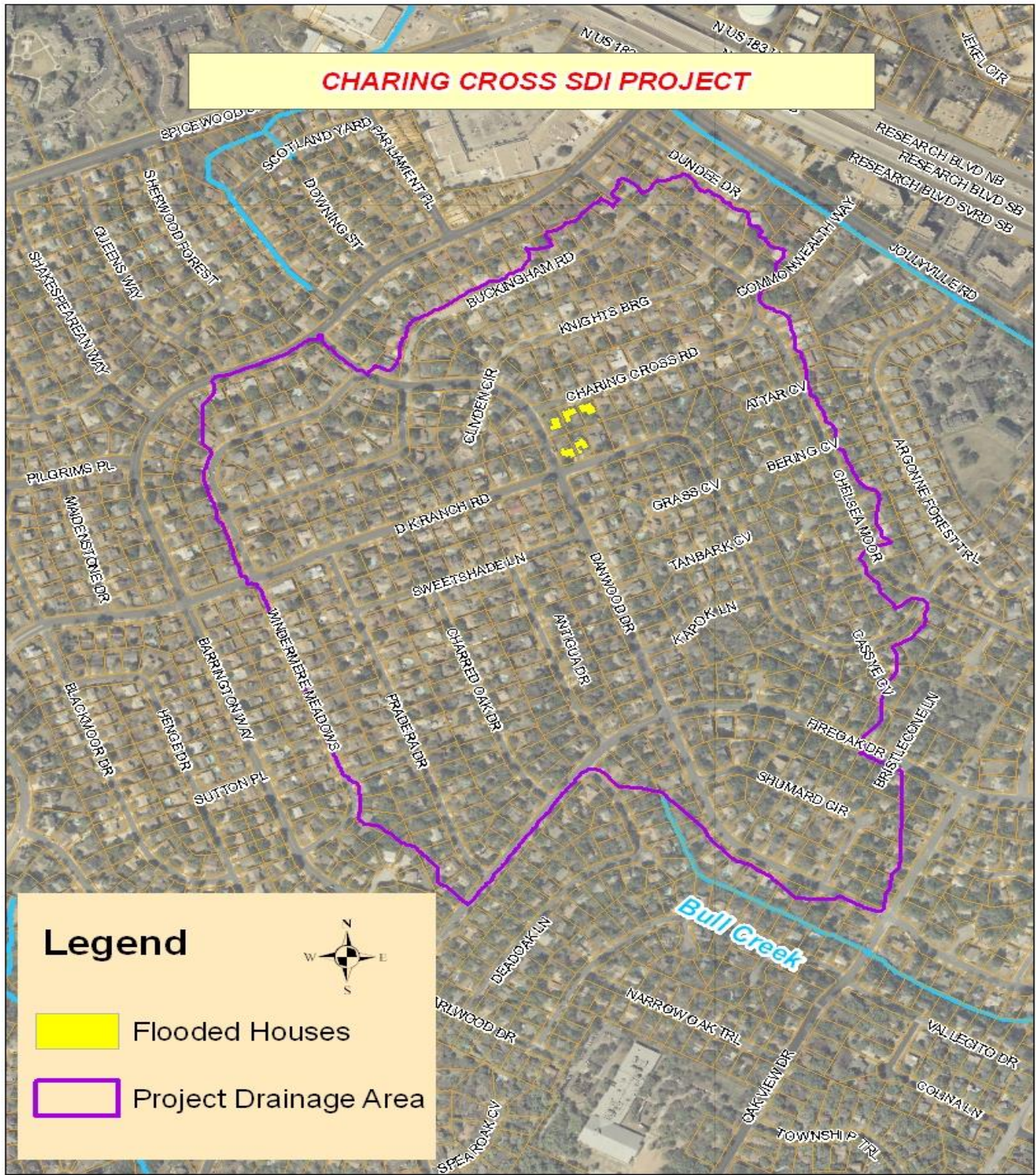
### Legend



Flooded Houses



Project Drainage Area





# Proposed Acquisition at 11701 Charing Cross Rd Dolores M. Firth and Rodney Firth

- 11701 Charing Cross Rd
- Properties in Question
- Lot Lines
- 100-Year Floodplain
- Existing Easements
- 25-Year Floodplain

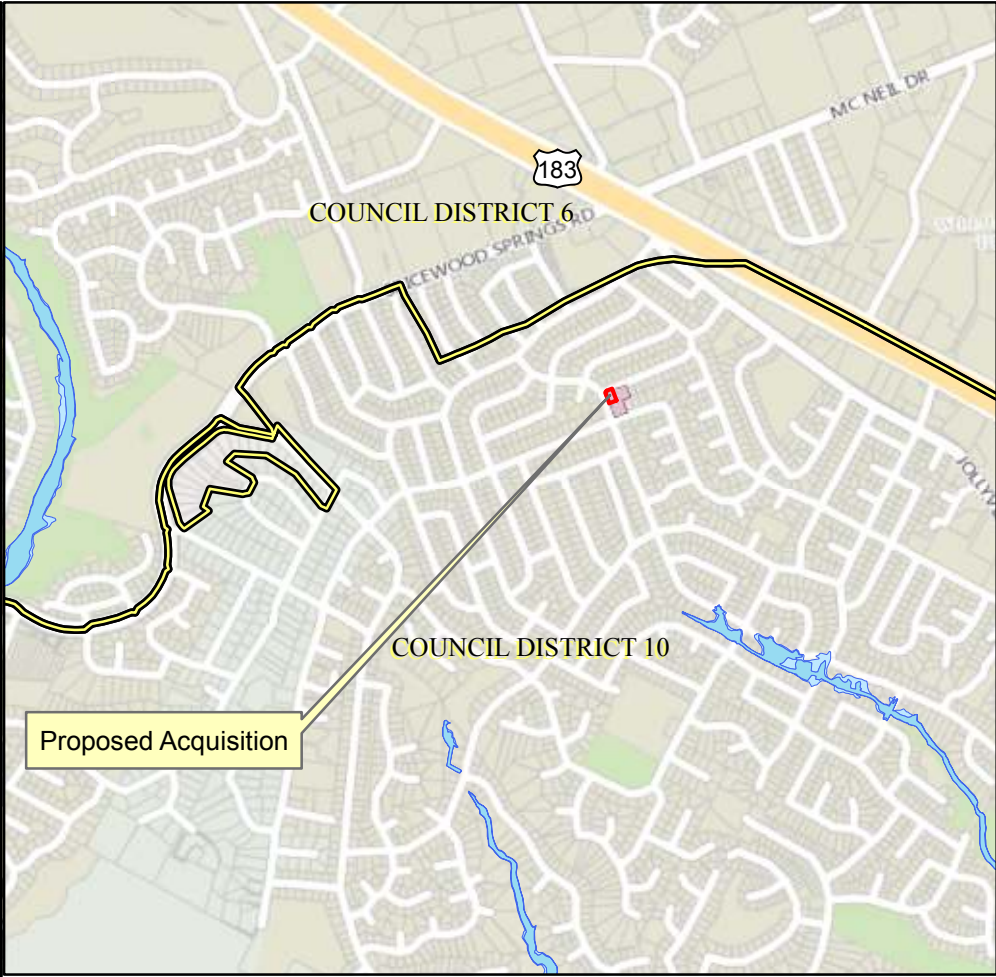


This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

This product has been produced by the Office of Real Estate Services for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.

Produced by CBoas, 4/22/2015

2012-13 Aerial Imagery, City of Austin



0 50 100 200 Feet

0 0.25 0.5 1 Miles

# ACQUISITION COST WORKSHEET

[Section to be provided by Requester]

Sponsoring Department: Watershed Protection Dept. Project Mgr./Contact Person/Ext: Jorge Morales  
Project Title: Charing Cross Appraisal Assignments Work Order # N/A  
Description of Land Needs: Fee Simple Improved Sales Price Estimate  
Supporting Information (maps, sketch, etc.): Multiple Listing Service  
Cost Estimate needed for: (Underline one) Budget Estimate or Project Assignment

[Remainder of form to be provided by Office of Real Estate Services]

Date of Request: 4/21/2015 Date of Completed Estimate: 4/21/2015  
ORES Job # \_\_\_\_\_ Appraisal Sect. Justin Steinhauer Prepared by: Justin Steinhauer

**Value Estimate:** 5 Houses @ \$350,000 E: \$350,000 Each X 5 parcels \$1,750,000  
  
Total \$1,750,000

**Acquisition Cost:** Based on 5 Parcels

**ORES Staff Cost:**

Property Agent Staff	\$0/Parcel	_____
Appraisal Staff	\$0/Parcel	_____
Closer Staff	\$0/Parcel	_____
GIS	\$0/Parcel	_____
Supervisor	\$0/Parcel	_____
Total ORES Staff		<u>\$0</u>

**Consultant Cost:**

Environmental Fees (ESA Report(s))	\$8,500 X 5	<u>\$42,500</u>
Appraisal Fees	\$2,600 X 5	<u>\$13,000</u>
Title / Closing	\$6,500 X 5	<u>\$32,500</u>
Moving Expenses	\$2,000 X 5	<u>\$10,000</u>
Demolition Cost	\$32,000 X 5	<u>\$160,000</u>
Miscellaneous Cost (surveying, etc.)		_____
Total Consultant Costs		<u>\$258,000</u>

Total of 4 Houses and Acquisition Costs \$2,008,000

**Law Cost:** Legal and Condemnation Fees \$0

**Contingency:** 10% for additional expenses \$201,000

**GRAND TOTAL of Acquisition cost of 5 houses (parcels);** \$2,209,000

A land acquisition cost worksheet must be prepared for each new project submittal which requires the purchase of land or right-of-way. Cost estimates in excess of six months (6) months need to be re-evaluated for possible

recalculation. The Office of Real Estate Services will work closely with the sponsoring departments to determine land needs and provide a cost estimate for land and/or right-of-way for each new project proposal. Please allow approximately 30 days for completion of the estimate. Please provide Work Order number for staff charges in preparation of this research.

The Office of Real Estate Services will send one (1) copy of the completed Land Acquisition Cost Worksheet for each proposal to the sponsoring department, C/O the Project Manager. If the project was estimated in previous plans, provide the assignment number and/or a copy of the previous worksheet.

***The questions below will be most helpful in providing a more credible and accurate cost estimate.***

1. Is this acquisition under the threat of Eminent Domain? \_\_\_\_Yes X No
2. If you have a particular site or area in mind, please provide the street address or the streets that border the site or area. 11704 D-K Ranch Road  
11706 D-K Ranch Road, 11701 Charing Cross Road, 11703 Charing Cross Road,  
11705 Charing Cross Road
3. Appraisal District PID#: 167600, 167601, 167591, 167592, 167593
4. Are we buying the whole property? X Yes \_\_\_\_No
5. Should we include demolition costs for improvements, if any? \_\_\_\_Yes \_X\_\_No
6. Land area size: N/A acres; N/A square feet
7. Are federal funds used for the project? \_\_\_\_Yes X No \_\_Maybe
8. Special features (i.e. corner, two access points, close to school, etc.)  
Location or proximity to the subject parcels are the main considerations in this cost estimate

Additional Comments: See Attachment

					Days on Active Market	Original Listing Price	Last Listing Price	Sold Price	Differential from <b>OLP</b>	LLP per SF	Sold Price per SF	2014 TCAD Appraisal	Sale Price Differential from TCAD	% Increase in Price from TCAD
11321 D K Ranch Road	78759	11/5/2014	12/13/2014	1/14/2015	38	\$319,400	\$299,000	\$290,000	(\$29,400)	\$161.45	\$156.59	\$223,618	\$66,382	29.69%
8213 Wexford Drive	78759	11/21/2014	12/12/2014	1/13/2015	21	\$359,900	\$349,999	\$334,000	(\$25,900)	\$177.75	\$169.63	\$201,973	\$132,027	65.37%
8108 Wexford Drive	78759	12/5/2014	2/10/2015	3/19/2015	67	\$393,000	\$384,900	\$379,000	(\$14,000)	\$171.37	\$168.74	\$218,932	\$160,068	73.11%
7700 Danwood Drive	78759	12/11/2014	12/12/2014	2/4/2015	1	\$400,000	\$400,000	\$390,000	(\$10,000)	\$224.47	\$218.86	\$223,313	\$166,687	74.64%
8213 Pilgrims Place	78759	1/3/2015	2/27/2015	3/13/2015	55	\$289,000	\$279,000	\$272,000	(\$17,000)	\$159.06	\$155.07	\$192,423	\$79,577	41.36%
11229 Barrington Way	78759	2/2/2015	2/28/2015	3/12/2015	26	\$325,000	\$310,000	\$290,500	(\$34,500)	\$131.86	\$123.56	\$242,991	\$47,509	19.55%
7406 Fireoak Drive	78759	2/6/2015	2/10/2015	3/5/2015	4	\$399,500	\$399,500	\$399,500	\$0	\$210.37	\$210.37	\$325,814	\$73,686	22.62%
11226 NW Blackmoor Drive	78759	2/8/2015	2/24/2015	3/7/2015	16	\$276,000	\$276,000	\$260,000	(\$16,000)	\$164.48	\$154.95	\$201,900	\$58,100	28.78%
11228 Windermere Meadow:	78759	3/8/2015	3/10/2015	4/17/2015	2	\$275,000	\$275,000	\$277,000	\$2,000	\$179.97	\$181.28	\$201,863	\$75,137	37.22%
11700 Barrington Way	78759	3/22/2015	3/31/2015	4/14/2015	9	\$335,000	\$335,000	\$332,000	(\$3,000)	\$126.89	\$125.76	\$243,818	\$88,182	36.17%
MEAN AVERAGE					23.9			\$322,400	(\$14,780)	\$170.77	\$166.48	\$227,665	\$94,736	42.85%
MEDIAN AVERAGE					18.5			\$311,250	(\$15,000)	\$167.93	\$162.67	\$221,123	\$77,357	36.69%
MAXIMUM					67			\$399,500	\$2,000	\$224.47	\$218.86	\$325,814	\$166,687	74.64%
MINIMUM					1			\$260,000	(\$34,500)	\$126.89	\$123.56	\$192,423	\$47,509	19.55%