

## Economic Opportunity Committee Meeting Transcript - 12/14/2015

Title: ATXN 24/7 Recording

Channel: 6 - ATXN

Recorded On: 12/14/2015 6:00:00 AM

Original Air Date: 12/14/2015

Transcript Generated by SnapStream

=====

[2:13:37 PM]

>> Troxclair:all right. Okay. Hello, and thank you for attending economic opportunity committee meeting. We'll call the meeting to order. It's 2:13. And we will proceed with taking up item number 1, which is approval of the minutes from the November 9 economic opportunity committee meeting. There's -- councilmember pool motions to approve the meeting. Is there a second? Councilmember Houston makes a second. All those in favor of approving the minutes, please raise your hand. Minutes are approved unanimously. Okay, great. Next we'll have citizens communication. We have one citizen signed up, Margie bursiotti here.

>> Good afternoon, councilmembers. I'm coming before you as a representative from the mbe/wbe small business procurement advisory committee, and for it to be -- become a consideration for this council, this committee, we've been delayed to -- on the agenda for three months, and it's making it hard for us to get business done at our committee and talking to some others. I know the city tried to restructure how the committees -- in order to make it more efficient, yet we can't do our business because we keep getting postponed so we would ask for consideration that there always be a place on the agenda for our committee to bring business before you so that we can get business done.

>> Troxclair: Okay. I believe that you are on the agenda today -- or there is an mbe/wbe item on the agenda today. Is that --

>> Yes, we're on the agenda today but we tried to be on the agenda in October and in November and kept getting delayed. We've got several other big business items that we'll be bringing before y'all and we don't want to see ourselves continue to get delayed.

[2:15:39 PM]

So we would just like a consideration that we always have a place on the agenda in order to do business.

>> Troxclair: Okay. I guess I am -- this is the first time I'm hearing that you've had a hard time getting on the agenda. I know if you're referring to -- I know we have held a place on the agenda a couple of times for our smbr department to come talk to us about the disparity study and some other issues, and the staff has not been ready to present during those times. So in those times we have granted the staff request to be postponed a month or so, but, I don't know, I guess there must be some miscommunication here because this is the first time I'm hearing from you. I wish you would have mentioned this to me before if you're feeling you don't have a place on the agenda because we do want to make sure we're checking in at least quarterly not only with our city staff but also give the opportunity for the commission to come and speak to mbe/wbe issues. So you are welcome to speak today about any item that you want to talk about or --

>> Well, we are on the agenda today so we'll be presenting today but we're just asking for the consideration so that we don't continue to get postponed from month to month.

>> Troxclair: Okay.

>> There may be a miscommunication from the staff, smbr versus what we're doing as a committee.

>> Troxclair: Okay.

>> That -- to make sure that it's not -- maybe they have something they want to present to you but we do too and that the postponement of them didn't mean the postponement of our business as well.

>> Troxclair: Okay, well, thanks for clarifying that. As you know, this committee has actually -- almost always has packed agendas so we're trying to make sure we're thoughtful everybody gets in in a timely manner, and I know that we had originally talked about and committed to making sure that mbe/wbe issues were heard like I said at least quarterly.

[2:17:46 PM]

If you need to be on the agenda more than that, please let me know.

>> Okay, we'll make sure.

>> Troxclair: You're on the agenda today.

>> We're just asking for that consideration. Thank you.

>> Troxclair:okay, thanks. We have one more citizens communication and, oh, my gosh, I'm not sure I can read this. Carol, Carol Hadnot, thank you. Hi, Carol. How are you?

>> I'm fine. And the committee, how are y'all? Well, we're not doing so fine. I wanted to express that we're somewhat disappointed. On the very beginning when they formed these very council committees, we didn't realize how -- it's not ambiguous, how ambitious this committee was going to be because on the front end we expressed that we didn't think it was going to work for us to be grouped in with ten or 11 other issues that are not similar. So we do feel like we've been pushed aside. We do feel like we've been ignored. And so I'm here to tell you that that's how we feel. We never got any feedback from y'all when we came the first time, when we had different issues that was expressed by the hispanic contractors, the Asian contractors, as well as the Austin area black contractors association. So we would like for y'all to revisit that. I watch y'all, excuse me, I'm a little out of breath from running over here trying to get on the list, trying to -- on other issues. And y'all spend a great deal of time on other issues, and this issue is critical. And we did a mapping data the other day, and we thought maybe we were ignored simply because maybe y'all don't think we live in y'all's districts.

[2:19:50 PM]

We, we're all over the planet Earth in districts. We have as many in district 10 and 9 as we do in 1, 2, and 3. And we would like for some consideration about our issues as well. Thank you.

>> Troxclair: Okay. Thank you for being here. I know my chief of staff had reached out you to last week, Carol, so I'm looking forward to us coordinating in the future.

>> Can I say something about that? That was five or four months after the fact we get an email stating is there any issues we'd like to discuss, whatever. Well, that's kind of like right before the meeting. So you called and asked us that question. So it is not on a continuous basis.

>> Troxclair: Okay. Yeah, like I said, my -- we want to make sure that everyone who has issues related to this committee get an opportunity to hear them, so if if you don't mind responding to my office and letting us know what issues you want to discuss, we'll make sure they're on the agenda for January.

>> Pool:I think some of the frustration from the folks in the audience is coming from the fact that they were able to present to -- would it have been the audit and finance committee in the past, Carol, that the minority and women-owned business reports were made? Maybe staff knows.

[2:21:50 PM]

At any rate, I know in the -- in the previous custom was able to hear these reports regularly and on a predictable schedule, which I think is very helpful to council to stay abreast of contracting issues. Hi.  
>> Hi, Veronica, director of small minority business resources department. Previous, the mbe/wbe council subcommittee received a monthly report of any request for changes that our departmenting with a looking at, as well as any item going on of interest. They also had a standing item on their agenda from the chair of the mbe/wbe council -- sorry, mbe/wbe advisory committee to brief the council committee on discussions they were having as a committee.

>> Pool: And I think that that conversation is what is missing at this point. Also, the Austin tech council had had a standing item, I believe, to make reports to one of the -- I think it was the innovations committee, which was also part of this new committee. So -- and I see rondella Hawkins out there and she and I had talked a month or six weeks ago about re-establishing a recurring item -- a standing item on our agenda also for the mbe and WBE so we could continue to have that inflow of information and a sharing of activity. So I would be very interested and willing to carve out time in our agendas, knowing that they are packed. I just offer that for consideration of the rest of the committee. I think these are legitimate requests, and I'd like to honor them.

>> Troxclair: Councilmember Casar.

>> Casar: I have some thoughts on this, but just recall that since we're posted for citizen communication that conversation about future agenda items might need to happen during that section of our agenda to stay -- I was about to state my opinion but thought I quo see Ann Morgan looking at me in the back of the head somehow.

[2:23:58 PM]

>> Troxclair: It's okay.

>> Casar: I probably shouldn't talk about it.

>> Troxclair: Okay. Well, we will take this back up, I guess, when we talk about future agenda items then. The -- okay. Well, we'll move on to item number 3, the approval of the committee meeting schedule for next year.

>> Houston: Chair?

>> Troxclair: Councilmember Houston.

>> Houston: I have a question. Usually we're out in in July, and so you're suggesting March or September? Would July be included? We don't have a meeting in July.

>> Troxclair: Yeah. I think I already took the July meeting off of our agenda because I thought that that would be the preference of the committee. And, I mean, we can go one of two ways. We can go ahead -- I know that there -- I want to be respectful of all of y'all's time and make sure that if there is an opportunity for us to fit as many items as possible within -- I don't want to have meetings just to say that we've had a meeting. So we could aggressively pursue that and go ahead and try to remove a couple of these meetings or we can go ahead and leave the meeting schedule as is and then cancel the meeting if we don't have a lot of agenda items. But especially in light of the discussion that we just had, I guess I think that we may just need to leave all of the committee meetings on the calendar so we make sure we have time to discuss all of the issues and give the due attention to all of the different groups who we're responsible for.

>> Houston: I would like to give some consideration to September because that's the same month we do the budget.

>> Troxclair: Budget, yep.

>> Houston: And I would like to suggest that we --

>> Pool: March.

>> Houston: You want March instead of September?  
>> Pool: No. Also.  
>> Houston: Okay.

[2:25:58 PM]

>> Pool: That's spring break.  
>> Houston: I don't have a spring break issue, but the budget session is pretty overpowering and it would be nice to not have to have a meeting in in September.  
>> Casar: Chair, we've been -- we haven't quite had time to have the work sessions, really talk about the review of our committee system. I think we're about six months' late on that already, and so the way that we've been erring in some of the other committees is we don't post the meeting so we don't set up the expectation and if there are enough items we can have special called meetings and know those dates and times are open in your calendars. So I'm available for special called meetings on those dates and times but, I think, defaulting to not having them on the calendar is my preference. It's what we've been doing. I think in public safety we sat, like, six meetings and in housing I think we removed two or three of them as well.  
>> Pool: Yeah, we did the same for open space.  
>> Houston: And in health and human services we're meeting every other month.  
>> Troxclair: Okay. So does somebody want to make a motion?  
>> Houston: I'd like to move that we delete the September meeting.  
>> Pool: And I'll second that and I'd like to add as an amendment also the March meeting.  
>> Troxclair: Okay. There was a motion and it was seconded to adopt the economic opportunity committee agenda for 2016 that -- with the removal of the March 14 meeting and the September 15 meeting. And know that the July meeting was previously removed from the calendar. Any discussion? Okay. All those in favor? All right. That passes unanimously. And to councilmember Casar's suggestion, I will make sure and just keep y'all posted if we do have an overwhelming number of agenda items that we need to address in case we need to add one of those meetings back to the calendar.

[2:28:05 PM]

Okay. I might take up items in a little bit different order just for the sake of time here. I think we may try to address item number 51 and then we'll move to items six and four and take those up back to back. And there is one person signed up to speak on item number 5. Mark Hollis, are you here and do you want to speak now?

>> Thank you. I'm mark Hollis, associate state director of communications and outreach for aarp here in Texas. I'm here on behalf of our members here in Austin to support the proposed amendments to Austin's credit access business ordinance. As you may know, aarp is a nonpartisan, nonprofit membership and advocacy organization with 2.2 million members here in Texas. The city of Austin is to be congratulated for having a good ordinance on the books to help protect all people, especially elderly from predatory lending practices. I guess we feel confident that the staff's proposed revisions to that ordinance will strengthen it by closing potential loopholes and bolstering reporting requirements. These revisions are good steps to ensure that vulnerable people here in Austin are not taken advantage of unaware or fall into a cycle of debt. So thank you very much.  
>> Troxclair: Thank you for being here.  
>> Good afternoon, committee members, rondella Hawkins, regulatory affairs officer.

[2:30:10 PM]

I have a brief presentation on our credit access business ordinance as well as our proposed ordinance amendments and just a reminder that credit access businesses otherwise known as payday lenders and auto title lenders and they facilitate loans between borrowers and lenders. The prior city council adopted an ordinance placing restrictions on consumer loans with goals to minimize predatory lending practices and reduce the amount of fees and interest paid by borrowers. Council budgeted one full-time position for the program and my office received that position for implementation and in fiscal year '16 the council approved an additional fte funded for a partial year so we're in the process of recruiting for that position. In addition, we provide public information and outreach efforts to inform consumers and the businesses about the requirements of the ordinance. This map, it illustrates the estimated 94 locations, cab locations, operating in Austin, primarily located east of I-35. And I wanted to highlight a few of the key provisions in the current ordinance. First, in order to apply for a city registration a business must possess a state-issued license by the state, by the office of credit consumer commissioner. They send in an application with a \$50 registration fee for each location and it's renewed annually. The cab must provide notice of any material change within 45 days after the change is made, and they're required to maintain copies of all the loan documents for up to three years for city inspection. It also requires the businesses to provide the city with quarterly reports on the loan transactions.

[2:32:10 PM]

And those reports are also filed with the state. The ordinance places certain restrictions on extensions of consumer credit or lending, which are in place to screen borrowers for their ability to repay and to membership memorize the fees and interest -- minimize the fees and interest to pay the loan off. A couple of these provisions are the cash advance for a payday loan may not exceed 20% of the consumer's gross monthly income. There has to be a verification of the auto appraisal for an auto title loan and also just determining the consumer's income. The extension of credit for an installment loan, a loan to be paid in installments, you make monthly installments, those cannot be any greater than four, repayable within four. For an extension of credit for a lump sum repayment it cannot be renewed or refinanced for more than three times. Again, that is to minimize the amount of interest and fees that a borrower pays, those restrictions. Finally, the ordinance does have -- it provides that a cab that is found in noncompliance, it has a civil penalty for a class D misdemeanor and a fine up to \$500 per day per offense and the cases are referred to municipal court, of course. So since the time that we have administered the ordinance we've identified item for clarification and enhancement to the bolster compliance by the businesses. First the current ordinance requires that the material change notices, that's a change of address or a change in the status of the state license holder that we receive it up to 45 days after the changes are made. We're proposing that the amount of time be reduced to ten days and that's in advance of the change being made. Secondly, regarding the quarterly lending transactions, the current ordinance prescribes we just get copies of the reports and we are proposing that we get copies in a format prescribed by the city, written or electronic, just some prescribed format.

[2:34:23 PM]

And that's not currently in the ordinance. The current ordinance sets out certain lending guidelines, again, that the loan be repaid in more than four installments and it doesn't really clearly define that the total loan obligation, that is including the fees and other charges, be repaid in those four installments so we're just clarifying that the entire loan, the principal, the fees and charges be repaid in a minimum of four installments. Fourth, we want to clarify that the borrowers are provided a list of referrals to non---excuse me, nonprofit agencies that provide financial education and training, that the amendment

requires that the businesses provide current information that is available in the city's website. That we will maintain on the city's website, they will have access to. Another proposed amendment provides the staff the authority to require that the businesses post a borrower's right poverty that gives additional information and summarizes the rights of the borrower and also provides contact information to the city. For inquiries or complaints. This is just clarifying the current ordinance. Another amendment is that the business provide a copy of all the loan agreements to the borrower upon request, which is a requirement is not in the current ordinance. Finally, the final amendment establishes authority and process for the city to revoke a credit access business certificate of registration issued by the city, but it also establishes an appeal process for the business to appeal the decision and, you know, to reverse the decision to revoke and to get their registration back. And that authority is not currently in the ordinance.

[2:36:23 PM]

So this wraps up my presentation, and today we are seeking a recommendation from the committee to approve the ordinance amendments, which are posted for city council action on Thursday, December 17. Thank you.

>> Troxclair: Councilmember Casar?

>> Casar: I would like to move to recommend these ordinance changes to the council on Thursday.

>> Pool: I'll second.

>> Troxclair: There's a motion and second. Questions or discussion?

>> Casar: For me, I'm very happy to discuss it further, but, first of all, I just think that it's really excellent that we have a department that's tried to implement policy that was pretty well thought out by the city council but no matter how well you think something through during implementation there might be tweaks that could help with its enforcement and make it better for people out in the community. And I just really appreciate you being thoughtful about bringing forward what your experience has been on the ground and the way that -- so that we can help you do your work instead of having to all deal with an ordinance that has some holes in it. So I wanted to thank you for that and these changes make sense to me, but of course I'm very happy to discuss them further on the dais.

>> Troxclair: Councilmember Houston.

>> Houston: Thank you so much for coming this afternoon. I have a question on it, looks like it may be slide -- four. The last bullet about if any payday lenders are in noncompliance, they're able to have a fine levied. Has that ever happened?

>> We have referred several cases to municipal court, and I believe -- has any of them -- let me bring Martha hin than doze up here.

>> Good afternoon. So far the city has referred about ten cases to municipal court.

[2:38:24 PM]

Each of those cases have -- we identify noncompliance, and each of those cases there were findings of noncompliance so I can say here to for we have recommended cases and -- at each turn we were correct in identifying those.

>> Houston: So the fines were levied?

>> Yes, ma'am. Sometimes the fines are levied. Other times there are discussions with the complainant who -- you know, who comes to our office and they may have an agreement with the credit access business to dispense with the outstanding balance. But this -- you know, it's also -- that's oversaw with the assistance of city -- the law department.

>> Houston: So the only reason I ask that is because people may be afraid to come forward.

>> Yes, ma'am.

>> Houston: And complain. So I'm trying to understand how they are protected and how they feel safe in complaining about something that was not done according to the way it's suppose to be done. Like is everything posted? I know you go in and do compliance, but are people coming forth? Do they feel safe enough to come forth and make a complaint?

>> Councilmember Houston, that is a salient question, and you're very much on point. Consumers are concerned. And once we prepare those probable cause affidavits and we cite the noncompliance finding that becomes part of public record, and then of course the credit access business is aware. But then at the state level, the office of consumer credit commissioner, they have laws that are intended to prevent those credit access businesses from harassing, from threatening, and all -- and other such things. But at the local level, we do not have those strictures in place but that's not no say we're not working hard to provide alternatives because we do feel like that is one of the strongest remedies for us to assist the consumers in terms of protection and awareness.

[2:40:35 PM]

>> Houston: Okay. Thank you.

>> Casar: Chair, I have a follow-up question on that.

>> Troxclair: Councilmember Casar.

>> Casar: And it's probably for you, Martha. Of the ten folks that y'all have referred to court and found some of them noncompliance, how many of those did you hear about it because you got a complaint and how many was because you went and audit the business -- or do you only audit because of a complaint? I'm just curious about how you found out about those ten.

>> We actually do desk audits so we'll look to -- run reports to identify those businesses who have not registered, maybe didn't submit quarterly reports. We also -- you also raise another point that's pretty important. I think there are probably about 3300 credit access businesses across the state of Texas, and there may be about 10% that actually file complaints. And there are about 94 in the city of Austin, and so we have had about ten complaints. So you just don't get a whole lot of folk coming in. So I would have to say the vast majority -- terrors been about 50, 50%, 50% have come in, filed complaints with our office, and the other half have been -- when we did conduct an audit, the business did decide they'd rather not do business in Austin. But we do conduct audits, dusk audits, for audits. I would have to say 50/50.

>> Casar: Half of them because a consumer complained and half because in your desk audit you found an issue?

>> Yes, we run risk assessments and try and track to see who -- you know, who is on point and who may not be on point, yeah.

>> Casar: Thank you.

>> Oh, yeah, that's true, failure to register is part of the criteria that we are using in our risk assessment and our desk audit to determine whether or not we need to take a look at those businesses.

[2:42:38 PM]

>> Troxclair: Can I ask about the language that's in the proposed ordinance on page 3 of 4? I just -- let's see, part 5d and E, when you're making the change from -- it says proceeds from each installment must be used to repay at least 25% of -- it used to say principal, of the principal amount, and you're changing it to of the total amount, including principal, fees, interest, and any other charges or costs the consumer owes the credit access business. Can you help me understand what that changes is?

>> I think I can answer that. So this -- so the change -- the reason for the change is that a borrower -- we have the limitation of four payments to pay down a loan. Four installment payments. That could be

applied only to the principal. But then you've got the other -- the interest and the fees that is left unpaid. Well, then that's -- it's accruing more interest and fees. So this is -- this is clarifying that the total amount of the loan plus the interest and fees has to be paid off in four installments so that it just reduces the amount of interest and fees to the borrower to pay off the loan. This is to help to pay the loan off in four installments. Total obligation.

>> Troxclair: So does it actually reduce the interest? Because in other instances, like I want -- if I'm going to pay off a loan early, I mean, I remember when I had student loans I wanted to make sure that the extra amount went directly to principal so that I was paying down my principal as quickly as possible. I want to make sure this change isn't going to allow a business to apply a payment only to interest while maintaining -- while making, you know, the last -- while continuing to accrue interest through the entire life of the loan on the full principal.

[2:44:40 PM]

>> That is exactly what had happened. The loans were structured in such a way where the only -- the csobs, credit service organization fees, all the fees, not the [indiscernible] Was paid first. Of course interest was compounded against that principal so at the end of the day, businesses -- I'm sorry, credit access -- the borrowers were unable to pay those loans and the inevitable outcome was stayed -- they'd have to roll the loan over. The ordinance says it requires 25% of the principal be paid and that they're not also be any sort of rollovers or renewals or refinance for a total of more than four installments. You can't -- but it doesn't speak to total debt obligation. So, in order to clarify that, we have to say 25% of total debt obligation. So that was really the point in providing a clarification. But there should not be any sort of penalties. They have to -- if a consumer pays off early, those loans have to be reamortized and those borrowers should be able to benefit from lower interest, if they pay off early, those kinds of things. Those loans are supposed to be reamortized and the benefit should go in order to those consumers.

>> Troxclair: Okay. I wanted to make sure that was the intent. It doesn't quite read like that to me because it seems like we're opening up the ability for a business to apply a payment only to interest and not to the principal, but if you're saying -- but I'm not an attorney so I'm going to trust that what you're saying is written correctly here in the ordinance.

>> We are working very hard to close that loophole.

[2:46:41 PM]

>> Troxclair: Okay.

>> So that at every single payment, each of those four payments, 25% of the total debt obligation, including the fees, interests, everything, principal, has to be paid.

>> Troxclair: Okay.

>> The minimum, 25%.

>> Troxclair: Okay. Under part 6b there is -- the requirement that they post a display to the public with information. Is there specific information that follows, this outlines what has to be posted that's maybe not included because we're not changing it?

>> Yes, in addition to the ordinance amendments we are in an administrative role making process which prescribes the format of that poster.

>> Troxclair: Perfect.

>> Those details will be in the administrative rule effective January 4.

>> Troxclair: Okay, great. So there's a motion on the table. Are there any other questions? Okay. We'll go ahead and take a vote. There was a motion, right? All in favor of recommending the passage of these



ordinance changes to the full council please raise your hand. They pass unanimously. Thanks so much. Next we will move on to item 6 and then we'll have item 4 after that. So item 6 is a tremendous the mbe/wbe and spe procurement advisory committee regarding goal setting and multiple award processes for commodity procurements. We do have two speakers. Do you want to let them speak first and councilwoman later? All right.

>> Good afternoon, my name is

[indiscernible] And I'm the chair of the committee. First of all, I just wanted to thank you for allowing us this first opportunity to present to you. This is our very first recommendation to you so we're delighted to have your attention. Part of what we will be doing today of course is be addressing specific issues on an issue that came to us because of a matter you felt of concern when you had it before your agenda.

[2:48:51 PM]

Before I go on I'd like to let you know that as part of our strategy to better educate and inform ourselves of the needs you have as well as those needs that we have as a committee, we have decided as a committee process to come and visit with you individually of which some of your offices have already received some of our calls and you've already graciously offered some of your time. So throughout this process you will be seeing more of us coming to you individually on some of these matters. I just wanted to alert to you that. That is the specific purpose of that. With that I'm going to have Mr. Regional worlds do the presentation. He is our vice chair for our committee and we'll be doing our presentation. Thank you.

>> Troxclair: Great.

>> We want to yell --

>> Troxclair: Okay, sure. If we want to have our public speakers, Juan aravedez and then aletta banks after that.

>> Good afternoon, councilmembers. My name is Juan aravedez with the U.S. Hispanic contractors association and the minority trade alliance with our colleagues the African-American -- Austin area African-American black contractors association and the Asian contractors association. This item came up when I brought this to custom and it was up for approval because there was a lot of confusion as to why this was being awarded as a procurement without any subcontracting opportunities. And so this really falls into a larger conversation that we've been having with you pretty much since you started your tenure here at council.

[2:50:55 PM]

And I just wanted to say that this fits right into what we've been talking about. The commodities that I'm especially interested in are the ones that are construction related. Obviously, like, I was at council before with a procurement for wood utility poles for Austin energy. I was here to speak about that because I felt that we could have subcontracted trucking or hauling, transportation for that procurement. And so this was also another example which I brought to your attention. And during this process, at the advisory committee meeting that we've had over several months, this has been a very confusing item, and I still don't understand exactly what it was we procured. As I understand first was crushed rock. Then we found out, no okay, it was a procurement for a -- trucking services with the crushed rock as a subcontracting opportunity. Then flipped every several times. The committee is here that can attest to how much different direction this is took. Hob honest, I just don't know where I am right now as far as that's concerned. I did want to say that if you follow the ordinance for commodities, this is existing, the part that jumps out at you, the main part as far as I'm concerned, is the availability of at least three certified mbes or wbes to perform the functions of those individual contracts. The

availability of at least three. It doesn't mean three in a certain scope. It doesn't mean three many another different scope. It just means three. It could be mbes, one mbe, two mbes, three mbes or a combination of mbes and wbes.

[2:52:57 PM]

And so this is what we've been doing, and so we've noticed that even when there's an obvious subcontracting opportunity like transportation, it doesn't happen. And so when you ask staff why don't these things happen, the answer that you'll get, I believe, is that because. Because it's always been done that way. Because that's the way it's usually done. I mean, I'm sure there are other good reasons, I hope, that will bring to light as to why we do not subcontract opportunities for commodities because transportation would be an excellent across the board opportunity if you would just compel staff to follow the ordinance. Just follow the ordinance. That's all they need, is three mbes or wbes to trip that trigger and pull it and get some subcontracting opportunities. We have, under commodities -- well, let me take that back. Under commodities, we have 144 total mbe/wbe certified companies. In construction we have 418. In professional services 126, nonprofessional services 447. And so we're focusing on the 144 certified subcontracting companies that could possibly participate in commodities more robustly and more fully if they had that opportunity. But staff does not pull that trigger for them to be aware of that opportunity. And more importantly to bid on it. Now, also during our meetings we discovered that apparently this was a highly specialized type of rock. And so you will also hear that it was specially treated and water washed with some kind of magic water and it sounds so mysterious, but from what I understood, at one point during this argument, we were soliciting for transportation services and subcontracting a highly specialized water-treated rock when it -- it's highly specialized item?

[2:55:22 PM]

So it just doesn't make sense. I mean, nothing about this solicitation ever made sense. But what I'm hear to say is offend ask you -- to ask you to please compel staff to implement the ordinance as it is. There's nothing to come up with. There's no formulas or there's no -- there's nothing different that we need to do here today other than follow the ordinance, just, you know, comply with the ordinance. That's all we're asking at this point.

>> Troxclair: Thank you.

>> Thank you.

>> Troxclair: Ale it tta banks. I don't know how to work the timer from up here, if you can handle it, yeah, thanks.

>> Good afternoon, councilmembers. My name is aletta banks with the Asian contractor association, and, yes, I just strongly concur with Juan of the hispanic contractors association about the ordinance. The whole program, the mbe/wbe program is based on ordinance. And the ordinance has to lay out how to implement the program and there are three simple steps really to boil down to it, to set the goals, that's first step, and to do good-faith efforts from the prime. And the third part is for the city to monitor and track the participation. It's that simple, one, two, three. And the city is not doing that. Or they selectively performing the program in just several areas in construction, in professional services only. But they are not setting goals for the other areas, including the nonprofessional services or commodities. So if you look at the printout I gave you, that's from today.

[2:57:23 PM]

So from the purchasing department, we have a total of 25 solicitations. And you only have two with goals. 16 with goals and they're reviewing seven of them. When we're making recommendations we're we're not recommending them to do something new like from the economic development for predatory lending. This is something already written down in the ordinance. So we're just asking the city, could you please just follow your own law? And traditionally all the solicitations from purchasing, we don't have any problems with -- from the contracting department. You know, they do professional services and construction. They're fine. They have the system down. It's from the purchasing department. They just systematically are not setting goals and their explanation is most of the time is, oh, it's industry standard or no bids coming from minority vendors. Okay. Can I clarify something? Industry standard is for the private industry but we're government. It's government buying. You know, are you following government law when you buy? Or are you following industry standard when you buy? So I think that our purchasing department should really look at their policy as far as, okay, am I following the government law when I buy or specifically the city of Austin law? Second of all, when they say no bids, okay, when the city solicits from everybody, including minority, they are the buyer soliciting from the community for the prime contractors. They're not soliciting for subcontractors. And that's where most of our vendors are there for, to subcontract. So when you say no bids, are you looking at -- [ buzzer sounding ]

-- Bids from the prime or from the city? If it's from the city you're not going to get a lot of them responding because they're not big enough to be a prime.

[2:59:30 PM]

I'm sorry I'm going overtime but I'll finish this one last thought. That explanation does not fly because you're not -- you know, you're not asking for prime. You're not -- you're asking for sub. So you need to get the data from the prime. If you have goals. If you don't have goals, of course they're not going to submit bids. So that's not -- you know, that's not an explanation to me. All right, thank you so much.

>> Troxclair: Thank you.you.

>> Good afternoon, councilmembers. You've Metty much heard what the issue is at hand and it's a serious issue we need to address and come up with a good recommendation -- actually, we have a recommendation that we're going to provide you. The mwbe committee was directed to provide recommendations to you all, not necessarily for a change in the ordinance, but to ensure that city staff is -- and purchasing is complying with the ordinance. The statement that I'm going to read to you here is there were no goals and multiple award processes for commodity procurements. The city of Austin purchasing department procured crushed stone from a non-minority contractor, but did not identify any mwbe subcontracting opportunities. So manufacture no bids were -- so therefore no bids were received from any certified firms. The action that we came up with was purchasing in smbr does not review procurement for subcontracting opportunities, purchasing and smbr did not break down crushed granite procurement into smaller packages and they got a review of the contracts terms for modifications and solicited bids from certified firms. The recommendations from you all are they are in accordance with the city ordinance chapter 2-9 a and as Juan already stated has got to be implemented in accordance to the current ordinance.

[3:01:42 PM]

First thing is purchasing and smbr must review all purchasing procurements for subcontracting opportunities. Commodities should be scrutinized for subcontracting opportunities. Purchasing and smbr staff should break out procurement opportunities into smaller projects and decrease counties terms from three years to one year. The reason we want them to do that is because term reduction

decreases total contract price and make contracts affordable for more minority firms to bid. And slit bids for certified mwbe firms. The additional comments down there at the bottom is extra notes for us so please disregard that. We offer these recommendations to you as guidance to assist you in your policy making over this matter. Is there any questions?

>> Troxclair: Do you have copies of the -- of your recommendations? We wanted to make sure that we all had it. Can you repeat one more time, you said to one of the recommendations was to decrease contracts from three years to one year. Can you repeat that again?

>> Yeah, decrease contract terms from three years to one year. And what happened there is I believe when this solicitation went out it was for approximately two million dollars over a three-year term. If the purchasing department would have broke that down to one year terms versus the three year terms, the overall contract dollar amount would have been much smaller and more affordable to subcontractors.

>> Okay. Thanks.

>> Troxclair: Members, questions?

[3:03:43 PM]

>> Houston: I want to thank you for bringing this forward. As several people have said this has been a concern of mine since we started that there are no goals set for anything. So therefore the primes don't have to try to achieve any kind of responsibility because we don't set any goals for them. And so thank you for bringing this forward.

>> Troxclair: Yeah. I appreciate it. Can we have -- I see our staff here that may be able to I guess respond, but it does seemed like this has been a topic of discussion among council and a consistent complaint that we've heard since the beginning of the year. So can you just address the concerns and speak to maybe what we can do to make progress on this front?

>> Absolutely. Councilmembers, Veronica Latta, director of smbr. I can start with how we set goals and the reference to the ordinance that we use when looking at setting goals. We -- the ordinance does clearly refer to the number of available mbe/wbe firms in setting goals, but it also sets forth the practices as described. It also describes the rules as set forth in the information and it talks about looking at the number of subcontracting opportunities. It doesn't specify how many subcontracting opportunities, but it does refer to subcontracting opportunities. In years of practice when I became director the practice was to set goals when we had one main contracting opportunity and two subcontracting opportunities. In the course of our work and working with the purchasing department and hearing the concerns in the community about not setting goals on as many contracts as we would like, we changed that policy to look at one main goal and one subcontracting goal. I think where we have come to a disagreement is the information that I've received from our law department and my best professional judgment is that I do need a subcontracting opportunity to set a goal there. Have been issues raised with setting goals on all contracts, even if it is a single scope and that's just an area where we disagree.

[3:06:01 PM]

But I do have the leverage within the ordinance and the rules to establish those rules for how we set goals. When we're looking at what is subcontracting contracting opportunity, which is it's not on every contract, we have had discussions in recent months, almost the past year, on every single solicitation and whether or not there are subcontracting opportunities. We've looked specifically at transportation, in the past three or four months, for every goal determination that has come across our desk and some frankly warranted for subcontracting opportunities and others don't. James can speak more to that in terms of the opportunity there.

>> Good afternoon, committee members, James Scarborough, purchasing. I appreciate the opportunity to provide some staff perspective in this discussion. And please let me acknowledge that staff, we do hear the concern. We heard the concern from the public, we heard the concern from the council and from the trade associations. And ultimately it's the desire of staff to support our customers and support the citizens. So if there is a reconnect and there's been a disconnect and we're glad to do that, we are now, our deputy purchasing officer, Yolanda Miller is with us this afternoon. We're now going through how we establish commodity codes because essentially that is the key that then will drive if subcontract goals are determined, the process for which commodity codes are selected and determined has been a practice-based activity, but it hasn't been reduced to a procedure. We are trying to reduce how we do these things to a procedure and then share that procedure with our colleagues at the advisory committee as well as the trade associations and with council so that we have agreement on the procedure and then the staff have a road map to success.

[3:08:11 PM]

What they've been relying on, however, is their experience and practice. It's been the experience and practice of staff not to look for subcontract opportunities where there has been a single scope. Not to necessarily identify transportation as a subcontract opportunity. We now understand that desire is to recognize these things differently. And we want to be able to give instructions to staff so they can accomplish this, but we need more feedback and guidance like what you heard today from the advisory committee. We want to work with them. We want to partner with them so that we can provide a process to staff that is going to result in an outcome that is going to attempt to meet expectations, but we need a process by which to do that. And right now we have experience and we have practice and these things have not translated to meeting these expectations. So we are working on that now. We will continue to work with our colleagues over at smbr. We are learning lessons as it pertains to transportation. We have recently looked at aggregate and rock solicitations where we have gone back and reinvestigated to look at these procurements for subcontract opportunities. So the behavior is changing but with the need to be able to procedurize that for staff so they have something to rely on with these things. Like I said, historically it has been practiced and we want to change that to process.

>> So when do you think that you might have a procedure put together?

>> I don't want to put Yolanda on the spot, but we were actually working on that every week. We have a draft process now. We hope to be able to discuss that with the advisory committee. Hopefully we can do so in January at their next meeting. This is the priority for our office. This is the thing that we talk about every week.

[3:10:14 PM]

And we want to be successful just as our colleagues and the other departments and as well as the trade associations and the advisory committee want. They want success of this program as do we. But we need to be able to lay before staff a process and right now that has not existed. We also would like to in your deliberations make sure that the customer department is not lost in the discussion. We receive the requirements from the departments. Often times they will determine what they need, how much they need and what combinations. And so while we can work with them on that requirement, often times they have the kind of stronger position of leverage because it's their money. It's their need that we're supporting. So to the extent that purchasing works with our colleagues at smbr, we would ask that you also make sure that it's not just purchasing, but also the customers that we represent because ultimately the ordinance describes an exchange between the customer department and smbr. Now, we participate in that and we facilitate pieces of that exchange, but ultimately we're representing the

customer department. So we want to make sure that their role in this exchange is recognized as well.

>> If I could add one other additional step that we've taken. One of the recommendations is to award multiple contracts and there have been solicitations that have come out in the past few months where we have stated that we are looking for awarding -- the the opportunity to award to multiple respondents. So that is something that we are actively changing and I think you even notice as you look at the solicitations from week to week that that change is occurring. It's not on every solicitation, of course, but there are more coming out there are suggested to be awarded to multiple respondents.

[3:12:20 PM]

>> Troxclair: Mr. Scarborough, I want to understand the point that you just made better. I'm not sure I do right now. When you say the customer department, what are you referring to?

>> So often times the majority of the time, in fact, when purchasing brings an item before you we are representing another department. So they convey to us the requirement. And when we attempt to change that requirement by lessening a specification or Tess aggregating a specification or what have you, then we're subject to certain push-back from the department because it's their need, it's their mission and their business. And they have a strong say in this exchange. So we want to be able to meet their need, but we also want to be able to meet the expectations of council and the public. So if your deliberations are based solely on purchasing and smbr, it's just a piece of the --

>> Troxclair: I think what you're saying is if we're going to make significant changes it's a message that maybe needs to be brought to the rest of the departments as well. Because it's the departments themselves that are working with you in procurement, if they're sending you items -- if whatever they're asking for can be more easily worked into subcontracting and goals and all of these other things that we're asking do, it makes it easy for you to be responsive without having kind of a tug of war between council and the department that you're trying to represent.

>> Correct. We do represent a number of citywide contracts that are used by multiple departments. An example of which would be the office supply contract. We have the ability to exercise more discretion and to craft the requirements to both meet the city's business needs and its policy requirements. But when we're working with the department we're really focused on their mission and their business.

[3:14:23 PM]

So in this case to the extent that purchase ago's role, smbr's role as well as the customer department role is recognized. We appreciate that.

>> Thank you for clarifying that. Councilmember Houston.

>> Houston: Thank you, Mr. Scarborough for making that point because I think that is perhaps where the disconnect is. Perhaps the department's don't understand that we would like to encourage them not to use their friends and family list, but to be able to operate and reach a broader number of contracts. So it's how do we break down -- this is the way we've always done it? Not with you guys, but with your customer departments, how do we break the cycle of this is the way we've always done business and these are the people we're comfortable with and the people we want to contract with? How can we help you make that -- send that message forth that we're concerned about the same people getting the same contracts over and over again? And that the goals -- the scopes are not broken down to where some other people can -- small businesses, minority, women, can also have an opportunity to have a piece of that pie.

>> Councilmember Houston, by the comments that you're making, by the time you get these items, we spend more and more of our time reviewing these sessions, doing more so with staff. It conveys a consistent position, a policy position of the city. And while certainly the customers are part of the -- a

part of the solution, please don't take the messages as purchasing is in any way shirking any of our -- part of this condition. We own our role and we want to be the very best at what we do. And part of that means meeting the expectations of everyone.

[3:16:31 PM]

And we need a path, something we can hand to staff and say if you do this then you will have met expectations. But right now it's been a narrative, it's been a verbal exchange and that changes over time. And we get to the end of the process and we have a lot of unmet expectations. We have disappointed customers, disappointed public. None of us ever wanted that. We wanted to be able to perform a process. We describe in the solicitation. We perform it, we meet expectations. That's what we're attempting to further detail. Now, this part of our practice has not been procedurallized and we're going to add on to that now.

>> James mentioned the office supply contract and that's a good example of a contract that came forward and we did subcontract a portion of that to an M.B.E. Firm. And that was unprecedented. I haven't seen an office supply contract come before council with subcontracting before and that was the result of our discussions. So those efforts are happening, maybe not as much as we would like to see, but we're taking those steps to get there.

>> Troxclair: So it sounds like there is probably enough interest from this committee for you to come back once you do have the process finalized. I understand you will take it to the commission first and I think it's something we will want an update on once you have it finalized.

>> Glad to do so.

>> Troxclair: Members, any other questions? Thank you. Oh, yes, you're next. I was wondering why you're still standing there, but you have the next item. Okay. We are going to then take up item number 4. And after that I think -- after that we'll do the balance of the agenda.

[3:18:34 PM]

>> We do have a couple of speakers signed up to speak on this item. Councilmember Casar?

>> Casar: I think it would be best to have Mr. Scarborough's presentation first so folks know what they're speaking on.

>> Troxclair: Okay.

>> Committee chair troxclair, members of the committee, thank you very much. James Scarborough, purchasing. The presentation before you is in response to resolution 2015618-091. It's regarding the presentation of policy options for the expansion of living wage to city of Austin contracts. So this policy resolution as you recall from your discussions this best summer was to increase the application of the city's living wage program to additional contracts in specified areas. Specifically the resolution called out construction, non-construction contracts, prime contracts and subcontractors. The resolution also sought to be applicable to contracts resulting from city legislation solicitations and work performed on city property or on city vehicles. Before we get into the policy options just real quick, any time we discuss requirements that would go into a contract that were not necessarily directly tied to the material requirements, it's always visible to -- advisable to go over any policy implications with the law department. So policy options. First slide. Staff recommends expanding the living wage program using the following criteria. We would -- as you stipulated in the resolution, apply the policy to competitively awarded contracts. That would then limit the application of the policy to -- from interlocal contracts, to cooperative contracts, sole source and emergency contracts.

[3:20:36 PM]

And that we also recommend that the policy not be applied to existing contracts. Rationale for that is any requirement that was not contemplated by the offerers, they would not have a chance to build that into their cost model and therefore it would not have been considered when they provided the proposal or the bid to the city. So adding it to an existing contract would perhaps put the city in a leveraged position in terms of absorbing a price increase.

>> Casar: May I ask a quick question? Can you explain the rationale on the sole source versus competitively awarded contracts?

>> The sole source contract would be in instances where there was an absence of competition, where there was a lack of other available sources. Essentially there is one place that the city can go to get these requirements. Often times you will hear sole source applied kind of broadly. We mean it very specifically. For a proprietary product, a licensed product, intellectual property, anything where there is an ownership element to the product or service that we're attempting to purchase it would be difficult for us or we would have a very weakened negotiating position if we tried to work in terms of conditions that essentially the contractor could take or leave because they wouldn't be subject to competition. Second recommendation is that we would apply the new program to work performed on city property or on city vehicles. This is consistent with how we apply the program currently and was consistent with the resolution from this past summer. Canceled stipulate or -- we would stipulate or clarify that means city facilities or city owned property. Sometimes property could be a thing. And to work on a thing could be construed as subject to the program.

[3:22:37 PM]

And we would just clarify and stipulate that the program referred to on city facilities or on real property. And we would also because of the nature of the work that's done under purchasing contracts, particularly non-services contracts, these contracts are often what we refer to as indefinite quantities or indefinite delivery dates. And essentially the work is ordered on a order by order or is consumed on an order by order basis. So you don't know what the quantity is and you don't know where the location is or the type of work to be performed under the issuance of the order. We could conceivably have contracts that work is being performed on city on property in one order and not on city property in another order. So that could make it confusing. So what we would do is conduct an analysis while we were developing the solicitation with the customer and determine where the majority of the work is going to be performed. And if the majority of the work is going to be performed on city property then we would apply the program. If will majority of the work was not going to be performed on city property we would not recommend the program. That's the rationale for that particular item. Further policy criteria, we would recommend that it not apply to construction contracts, that it only applied to non-construction contracts. In essence that particular recommendation is based on the practice that we have observed both purchasing office and capital contracting office based on individuals. -- Advisement from the law department on a past state attorney general's recommendation regarding the preclusion of having contracts that have both prevailing wage and another form of wage requirement. So we would say if prevailing wage would apply, then we recommend not also applying the living wage requirement.

[3:24:38 PM]

And if you had questions in that regard then you could certainly direct them to law and they would be able to clarify. The subsequent policy recommendation was that the expanded program apply to prime contractors and to subcontractors. Typically requirements that are stated in the contract that apply to the prime contractor are shared with a subcontractor through what we call flow-down clauses. This



would be a series of clauses that the prime would be required to have stated expressly as written in the contract in any subcontract agreements that they had with other firms. And so we would stipulate specifically what flow-down clauses we would have them put into their subcontract and then we would have the ability to inspect that if there was ever a challenge or there was a concern. We would recommend not -- clarifying this particular provision that it not be included in subs that are for material supplies parts or equipment or so forth. Typically that wouldn't be applicable because they wouldn't have people that were performing work on city facilities, but it could conceivably happen that they would have somebody from a big box store come to a drop off site. So it we would stipulate that it was to apply to this particular group of folks. Staff would further recommend that we identify and apply the program to contractor employees who are directly assigned to the contract. This is a stipulation that we observe now but again it has been applied through our practice. So if we were going to expand the program we would have the instance of the possibility of a slight from an employee of a contractor and what have you. Instead of staff deliberated, how would we review that -- how would we determine that that employee of a contractor had standing, that they were actually working under the contractor's contract with the city?

[3:26:44 PM]

We determined that we would be able to identify the employee if they were named or identifiable in the contract. If they were named or identifiable in the order that was issued under that contract. If they were named or identifiable in the invoice that we received for the work performed under that contract. Or if they were named or identifiable under some other deliverable that was provided to the city under that contract. That way if we were going to seek any contractual recourse with the contractor we would be able to link that employee to that contract through an express document, through a document that we could put our finger on. Otherwise it would be the city's burden to search out these documents and find some way to connect this person with this contract in our contract with the city. We feel like it's a good policy clarification to identify how we define directly assigned so that we can resolve these matters if and when they come to the city's attention.

>> Casar: A point of clarification. When you say identifiable do you mean that the work is identifiable. Or do you mean that that person in particular is identifiable? An easy example so that I can understand your answer is if we contract out for someone to vacuum the carpet in the city council chambers and the contract includes vacuuming the carpet and an employee brings a complaint to the purchasing department saying they were paid less than the living wage, they were working on city real property under a city contract vacuuming the carpet in the chambers and were paid less than what was stipulated in the contract, would that person be considered identifiable in the invoice in the contract work order or not?

>> Identifiable would mean your latter example, the person was either named or the specific work that they were performing was able to be identified under one of those documents. So in the case of the employee vacuuming council chambers, likely every time that is performed the city -- maybe weekly increments or monthly increments.

[3:28:50 PM]

The city will get an invoice and we'll be able to identify employee number xyz perform following services on city property. If we can identify that employee number equates to that person we have a direct relation to the contract and we have determine that they have standing to complain, otherwise it could be any contract -- any employees that work with that contractor could allege that they have standing to complain. They may not have worked actually physically on city property under a city contract. So we

need some way to connect the dots to be able to determine if that particular employee has standing to complain or not. The major difference and why we had to really spend some time with this particular part of the policy is that our contracts are commercial contracts. We're one of many other customers and the contractors largely serve us the same way as they serve other customers. Unlike a construction contract those contracts are largely customized. You know exactly where the work is going to be performed. You know exactly which employees will show up and do the work. You can audit their payroll statements. You can identify who is applicable to the policy much more directly. It's harder for us to do it because our services could be performed in between the services of 12 customers before us and 12 customers after us. So we had to find a way that we could identify that employee on that day, perform that service under the city's contract. And then we could apply the policy. So we had to work hard to apply the same policy as our employees over at the capital.

>> But considering today we're talking about potential of subcontractors under the contractors you work with, you feel confident that with this policy clarification if someone spending a majority of their time vacuuming this chamber and I'm pretty sure the folks that help us here are actually city employees, but just for the purpose of an example, you feel confident that we would be able to enforce the rules that we set against that contractor if their contractor is breaking the policy.

[3:30:53 PM]

>> Councilmember, I feel confident that we can enforce it better than we did today, but we are always open to more precise ways of handling such complaints. But we just don't have the experience in how these things could be applied. And we would want to be able to adapt our approaches and adapt our policy clarifications to be able to meet those circumstances, but right now this would be a marked improvement over how we would identify that work if a complaint came in today.

>> Casar: Thanks.

>> Some other policy clarifications that we would want to bring to your attention and make sure if we were to expand this particular program we would like to add these clarifications. If it's going to be applied more openly and broadly across the contracts we think that having a more detailed, clarified program is going to help us and help our contractor's better meet the public and your expectations. We would recommend that we apply the living wage amount that was in place at the time of the award so that the offers could take this into consideration again when they were building their pricing for their bid or proposal. We would recommend that we apply living wage regardless of the funding source unless the funding source specifically precludes this type of policy. So if it was federal funding or if it was some other funding that the department was going to be using to pay pay for these services that precludes this type of program we would not apply it otherwise we would apply it regardless of the funding source. We would also recommend applying regardless of the contractor type so there could be not for profits. There could be non-profits. There could be specialized -- specially type of contractors, community service contractors and what have you.

[3:32:55 PM]

It would be very difficult if we were having to differentiate from the contractors then we would need a very detailed list of contractor types, business types and how they would be held and what have you before we would be able to implement that effectively. We would recommend not differentiating. We would also not recommend differentiating based on the unit pricing. Contractors are paid based on hourly rates. They're paid based on job rates and they're paid based on unit rates or associated with a thing or a product. And sometimes, often when you pay for a job rate or you pay for a unit rate their hourly wages are built into that unit. And it would be difficult for us to separate that out without asking for

their payroll information. And when you ask for payroll information it may cause folks to be less inclined to do business with the city. A lot of disclosure, a lot more information that we would have to keep confidential. So we would have to recommend applying the program in the most straightforward approach regardless of the unit pricing. We would also recommend -- I know there's some discussion in the living wage task force about how the program could be monitored. We would recommend for purchasing contracts that they be monitored using the existing contract monitoring program. The rationale is very similar to the comparison I made earlier with construction contracts compared to commercial contracts. Our contracts, the products and services that we purchase, are very consistent with products and services that are purchased by other customers. If we created a monitoring program like one that is used in capital existing, it makes certain assumptions. There's a place that the work is performed, that it's performed over a set period of time? That it's going to be there for a long enough period of time that you're going to be able to make visits.

[3:34:56 PM]

That there will be the ability to post the wages and notices and so forth. If you are doing a regularly recurring service under a non-professional service contract, finding that location may be difficult. It may be difficult to pin it down for the time that that employee happens to be on city premises. The type of services that is -- service that's being provided could occur at any given time so it would be hard for us to figure out when the contractor was going to be there so we could have staff there, so we could interview them. So we have a contract monitoring program. We Taylor it to the specific needs of the individual contracts and we will monitor it based on how that contract functions, where the contractor is going to perform, and any concerns that we have with the contractor we can dial it up or dial it down. We would like to use our existing program. We feel it would be successful and we feel we would be able to meet the needs of the individual contracts without applying a big contract standard to a variety of contracts, many of which are smaller contracts. We would also recommend that the current practice of relying on price data be continued and that we limit the limit to the extent that we're asking for cost data. Often times if you had project pricing or unit pricing that's different than wage or hourly rates the question could occur how are you paying your applicable folks living wage? It would require us to ask for and receive cost data and to provide pricing and cost data could discourage folks from participating in city contracts given the type of insight that city staff would start to have into their operations. Again, commercial contracts compared to custom contracts or construction contracts.

[3:37:01 PM]

Lastly, we would say or recommend that any federal regulation or state regulation that precluded this program center a specific contract we would recommend waiving the program for just that contract otherwise we would apply it to all contracts. In the resolution there was also a request that we discuss any economic impacts. Unfortunately at this time we don't have any data from which that we can provide you any baseline impacts or any projected impacts. We certainly intend to work with the business community, to work with our customers, to work with our colleagues in the profession to see how they can be collecting this data in other municipalities or other governments. But the only way that we would be able to determine an economic impact of the program is to ask loaded and unloaded pricing or with and without pricing. And again that could give insight to a contractor's cost model and may discourage them from participating in city business. So right now we don't have a reliability way to provide you this data, but we intend as a deliverable for the implementation of any expansion of this program to work on that and try to find a way to represent to you any economic impact that this program may bring. And that's it for our presentation. If you have any questions, I would be happy to

answer it.

>> Any questions? Councilmember Houston?

>> Mr. Scarborough, this may have absolutely nothing to do with presentation you just gave. I was watching Sunday morning and there was a piece on Albuquerque, new Mexico, where the city of Albuquerque was contracting with people who call the streets of Albuquerque home to do work so that they could -- several things. Get them engaged in work, get them paid so they could rent a hotel for the night and bathe and be safe.

[3:39:10 PM]

But also get them in the job routine so sometimes they were able to hire them on as city employees. Would something like that -- I've been talking with echo and some other folks about the possibility of doing that here in Austin because it seems as though we have more and more people soliciting on the sides of the road. And they just went by the side of the road and said do you want to work and they got paid in cash that day. Would that have any impact if that were something that would come before council? Would they be forced to pay them a living wage?

>> Councilmember Houston, that's an outstanding question. I will have to research that, talk to our colleagues at hr and law to determine the type of contractor we would be talking about. This sounds like it may be a personal services contract and therefore kind of like a temporary or day labor type of contract. If that was the case we may be able to argue that an exclusion from a program such as this, but if they are working under a contractor, then this program is going to be subject to the contractor. >>

>> Houston: They were working under the city of Albuquerque.

>> I'll have to research it and get you additional information on that unless my colleagues from law or hr could help out. I don't know.

>> Houston: It was interesting. It just came up and thought we might as well ask it before we put something in place. It hampers our ability to provide some ready money for people who really need it and some job skills. And a path into employment.

>> Yes, ma'am. So am I interrupting you correctly that you would want the program not to apply to certain folks?

>> I don't know. I just -- I just wanted to put that out in the MIX so that we don't exclude and therefore we can't do the program because we're going to require that they be paid \$13 an hour to go work with our city crews.

[3:41:22 PM]

>> Then we'll get that back to you as soon as we can so that it can inform any policy decision that you would like to make.

>> And I'll try to send you the link because I did get that from Albuquerque. I'll send that to you.

>> Troxclair: I had a quick question with the conversation that we just had in mind in the last item. How does -- how would a change like this or would a change like this affect a small minority-owned business from the contracts that we're talking about, allowing them or expanding options for them to be eligible for and to apply for. Would adopting what was just outlined affect them, those kinds of businesses?

>> Councilmembers, I couldn't speak directly on behalf of the businesses, but in previous conversations when we've talked about prevailing wage, living wage and minority and women owned businesses, particularly small businesses, certainly heard concerned from some of our businesses about ability to have the opportunity to provide those wages. Making sure they are still successful as a business themselves because they are smaller and the need. Again, I think it would be helpful to hear directly from them so they can speak on their own behalf, but that is feedback I've heard as we had these

conversations previously. >>

>> Okay, thanks.

>> Per the recommendations, right now we would be contemplating applying the program to the primes and subs equally and without differentiation between the two categories of contractors.

>> Chair, just to clarify, I think the main change that's being discussed today is whether to have the flow-down provision from the prime contractors down to the subcontractors. I think it's a basic fairness thing and it's also due diligence on the part of the city.

[3:43:26 PM]

If a prime contractor employs all of their employees then their subject to the provision, but a competing contractor who may subcontract out all the labor could then provide services with lower paid employees and therefore get around the purpose of the it being in the contract in the first place, which is to ensure that we're working with high road contractors that are determined to keep on long time employees and provide the best services to the city. So I think that the wage question exists -- whether it should exist or not is a policy question in and of itself, but what I'm intending on voting on today is whether or not if we'll have it for the prime contractors, if it makes sense for it to apply to the subcontractors below them since -- I think that's the original intent is for people that are contracting with the city to play a living wage to their employees. So I think that those are sort of two separate questions in my mind.

>> I wanted to add, I didn't want to suggest that I disagree with our purchasing office and their recommendation. Merely wanted to pass on feedback that I heard previously. Certainly not the opinion of smbr or myself.

>> No, I appreciate it. That's the question that I was wondering. And I thought that that might have been the feedback out there, but I haven't talked to anybody directly about that issue. So hearing that was -- confirmed what I thought might be the case. So I appreciate it.

>> Casar: I think we have testimony.

>> Troxclair: Let's go ahead and hear from the public. Bob batlien and Emily Tim after him. Three minutes each, please.

>> Hi, I'm bob bat lien. I was a member of the living wage task force.

[3:45:28 PM]

I'm from temple Beth shalom and Austin interfaith. The objectives of the wage work was simple and clear. Point number one, we wanted to create a living wage closer to what is needed to actually -- workers that work on city projects to live here. And believe me, we appreciate what happened at the budget sessions in the fall. I assume that the resolution, which quotes the old living wage, is just a place holder in that that would be replaced with a new living wage. I hope that's true. Point number two was we wanted to apply the living wage to all workers who did work for the city. And that was the case whether they were employees, worked with contractors, worked through subcontractors. There seemed to be a loophole that scar's scenario could occur that a contractor could skirt the intent of the living wage by assigning the work to subcontractors. So that's really the point that we were trying to get through. We also believe that this should apply to construction workers as well. We do understand that there is legal arguments that are going on and I won't pretend to be a lawyer, but I would suggest that you talk to lawyers on both sides of the issue. We know where the city lawyers have come out, but there are other lawyers that have other opinions. I am a little bit concerned about the clarifications that we just learned about, specifically the contract monitoring. During the process it seemed like the contract monitoring fell not on any established practice or process, but on the -- using organization that wanted the work done.

[3:47:44 PM]

And the using organization rarely had any incentive to want to do any compliance work. I was also concerns about what directly assigned meant. And those kinds of things because if you take councilmember Casar's example, if a new person came in and did the work we would be counting on the employer to make a report to acknowledge the existence of that worker and I see that as being a -- [buzzer sounds]

-- Potential problem for the worker. Thank you.

>> Thank you.

>> Good afternoon, committee chair and members of the economic communities committee. My name is Emily Tim and I'm the director of research and policy with workers defense project. I would speak in recommendation of the resolution brought forth and I appreciate the attention to detail Mr. Scarborough has provided in this. I do think that this proposal is closing a loophole to ensure that the intent. Living wage ordinance is kept for all city contracts. So currently the city already does require that contractors comply with the living wage standard. This is simply closing a loophole that currently allows bad actors to subcontract out and not comply with that living wage standard. So ultimately I think that this is about closing a loophole that will protect responsible contractors who are doing their best to comply with the city's living wage standards that are already in place in the purchasing department. And in that sense I think it's very -- a very clear reason for this committee and for the larger council to support this. We've seen your support and appreciate your support of the living wage standards and the increase in the city living wage that was passed with the budgeting process and the good leadership that's been shown by this committee on that issue.

[3:49:49 PM]

But I do think that this is a critical policy change just to ensure that original intent of the ordinance. Additionally I have a few questions and would be happy to work with the purchasing department. Talk to Mr. Scarborough at greater length about some of the details that he presented in order to ensure who was actually doing the city projects. My organization has over 12 years of experience servicing low wage workers who have not been prayed their promised wages. We see often there's not a clear paper trail and I notice his standards to look for did require a paper trail. So I would just encourage and invite his office to work with experts in this field about how to assure that the people doing this work on city properties are getting the wage that they're entitled to under city standards. So that said, I also -- we do support and hope that the members of this committee when there is additional information available about the standards for construction workers, that you will take a look at legal analysis that discusses how the living wage and the prevailing wage standard can in fact be both applied to city capital improvement projects and that those would be standards that also fulfill the intent and purpose of a living wage contract to not only create jobs that are actually allowing people to have a good quality of life in our city, but also ensuring that the city gets the best possible product for their money invested, whether it's construction services or purchasing of any other type of contracted services. With that I thank you and hope to you support this recommendation and encourage city staff to continue thinking through that complex challenge of enforcing all our subcontractors. Thank you.

>> Thank you. Members, any other questions or discussion?

>> Chair, I'd like to move that we move the staff recommendation along to the full council with sort of one major and one minor exception.

[3:51:59 PM]

The larger exception being the living wage standard on construction. I we need conversations with legal about it and to move on the conversation about what a living wage on construction contracts would look like with no recommendation from this committee, but on to council so we can have an executive session on it instead of trying to have executive session in this committee and then everyone wanting to hear legal advice on the full council, let's just pass it along to the full council because I know everybody would want to hear from legal before making a decision on something like that. And then the smaller piece of direction would be on contract monitoring. I would like to ask our staff to perhaps lay out sort of more clearly exactly what that monitoring of directly assigned might look like. And that's -- I'm looking for a head nod from Mr. Scarborough because he doesn't know I'm talking about him yet. Between now and when it comes up to council, which I imagine wouldn't be until January or February, for us to have more laid out what that contract monitoring might look like so if we have to make any changes we can do so. But -- my motion is to pass along staff's recommendation except just no recommendation on construction contracts so that we can have an executive session on it before the full council.

>> Troxclair: Okay. Is there a second to that motion?

>> Houston: I'll second it.

>> Troxclair: Okay.

>> Houston: And I guess my question was when will this come back before council?

>> Casar: I'm not saying Thursday.

[Laughter] I think that's what you're looking for.

>> Troxclair: Or maybe not January 25th either.

>> Casar: I think if we send it not to the January 28th meeting, but the next meeting of council. I know we have a lot coming up on the 28th as well. My last comment, councilmember Houston, is I am certainly interested in the program you described and if we can make it work in the budget to get those folks to 13 bucks an hour, I think it would be an even better program.

[3:54:05 PM]

I appreciate that you brought it up.

>> Troxclair: Okay. I guess I will just say councilmember Casar and I probably just have a basic disagreement about the role of government when it comes to this. I believe that artificially mandating wages increases the cost of the contracts and the cost of doing business, which those costs are paid for by the taxpayers who are the same people who we're worried about making an affordable place to live. So to me it creates a vicious cycle where we're pushing up wages, we're pushing up costs, taxes, we're pushing up overall cost of living. So I'm going to not support this, but we will continue our respectful disagreement.

>> Casar: We'll start an article swapping club.

>> Troxclair: Okay. All those in favor please raise your hand? All those opposed? And it passes with councilmember pool, Houston and Casar in favor and councilmember troxclair opposing. Okay. Thank you very much. Let's see if I can find my agenda. So from here we are going to move on to items 7, 8, 9 and 10, which are all economic development related. Does our staff have any opinion or preference of which items are taken up first? Seven? Okay. Let's go for it.

>> Hello, councilmembers, I'm David Murrow with the city of Austin music and entertainment division.

[3:56:09 PM]

I'd like to give highlights of Austin night life initiative 2016. This is an approach to enhancing our night life and enhancing and preserving night life in Austin. It's a multisuite of code compliance enforcement,

professional development, community outreach, venue, crowd management training, sound ordinance enforcement, late night transportation alternatives and targeting public nuisances. This is in the early planning stages. We've not yet contacted all the various departments involved in this. The music office did convene a meeting with A.P.D., an initial meeting to discuss logistics for utilizing pace teams throughout the year versus the big events like south-by. And lieutenant Tom Sweeney with A.P.D. Is here to answer any A.P.D. Specific questions.

>> Okay. Great.

>> Troxclair: I just wanted to go ahead and get this on the agenda because I think it's something that the committee will want to discuss further, but I understand that y'all are still in the planning stages and didn't have a formal presentation already for today. But I wanted to put it on everybody's -- everybody's radar. Did you have any other -- that was just the general overview of what you're planning?

>> It's based on best practices of peer music cities in Chicago and other cities and we're wanting to apply these principles in Austin.

>> Troxclair: Okay. Councilmember Houston?

>> Houston: I would love if people would give us some different peer cities. I really do. Like Nashville and things that are not -- the things we always come up with as peer cities are very different from Austin. I've lived in several of them. Never Portland. Visited there, but San Francisco, Seattle. And very different, very different. And so none of those are capital cities. I just came back from Nashville and Nashville kind of feels like Austin. I would like us to do something with a peer city that has -- I've said this to the convention center as well.

[3:58:14 PM]

That has a capital in the midst of it and a lot of music. Very different, I think.

>> Troxclair: So funding for this initiative was included in the current budget?

>> That's one of the issues talked about in our internal A.P.D. Meeting. I don't think funding was provided.

>> Troxclair: Okay. So you are going -- so we're in planning stages and then economic development would be requesting a budget for this initiative come next year?

>> We'll determine what should be an appropriate amount in next year's budget.

>> I have one more question. So this is -- I guess I'm wanting to understand -- can you just explain in a nutshell what the initiative is. I want to understand how this may dovetail with some of the things we've been talking about with Austin music census and some of the other things.

>> Many of the details of this are to be worked out, but the overall idea is many of the ideas here were suggested in the music industry census that our office recently commissioned. Specifically late night transportation alternatives and parking. The point is to enhance the safety and vibrancy of our night life, the other nine to five. Those are the primary mission is to enhance the safety and security and the vibrancy.

>> Troxclair: Okay. Those

>> Vibrancy.

[ Saying name ] Those all sound like good things. When I visited Nashville with councilmember Houston and councilmember Casar and was just really impressed with the live music that they have going on there and their overall kind of nightlife initiative.

[4:00:17 PM]

So I don't know -- I know that we like to think of ourselves as live music capital of the world and I want to make sure we can stay that way. I'm looking forward to seeing how this initiative pans out and what it



might request for us to get there.

>> Thank you.

>> Troxclair: Would this be one thing that the -- now I'm not remembering the name of the program but the funding that came from the white lodging settlement, would this be something that could -- well, I mean, I understand that we can use that money for whatever we want. This is not necessarily -- wouldn't be under the specific program that that money is in right now. But it would be something that maybe we could talk about?

>> Any change in use of the current funding would require budget amendment.

>> Troxclair: Okay. Thank you so much for letting us know that y'all are working on that and we'll look forward to -- do you know when you might be ready to have a formal presentation?

>> I would think the next several months.

>> Troxclair: Okay. Great.

>> Thank you very much.

>> Troxclair: Thanks so much.

>> Kevin Johns, director of economic development. I wanted to just put into 2 cents for the white lodgings idea. We are looking at creating a real estate investment trust with the private sector that perhaps some of those dollars could be used to allow the real estate community to buy the venue with a covenant put on the property so that it could ultimately be built and the venue could be guaranteed that it would be would stay there answer antidisplacement one. We'll bring that back to you. We're vetting that out a little bit. If I can just take a moment I'd like to introduce our new deputy director who just started today.

[4:02:17 PM]

Her name is Alex Lopez. Alex, if you would just stand. Alex is the former assistant director in San Antonio. She has a master's degree, great national credentials and I know you'll enjoy meeting with her and working with her.

>> Troxclair: Great. Thank you so much. I appreciate it. And I know y'all weren't quite ready to talk about that item yet so I appreciate you appeasing me and at least giving us a heads-up about what you're working on. Okay. We'll go understood from here on out and take up item number 8.

>> Good afternoon, councilmembers. I'm Julie chase with the Austin convention and visitors bureau going to talk a little bit about how we promote music marketing throughout our activities.

>> Troxclair: I believe this was a discussion that we had at the full council when we were talking about convention center budget and I think it was councilmember Garza that brought up this point and then the mayor referred this issue to the committee. So this was something that the full council was looking for our expertise in making sure that the convention center is using an appropriate amount of money to support music.

>> Were you wanting to talk to the convention center.

>> Troxclair: Sorry.

>> I wanted to make sure.

>> Troxclair: You're right, I'm sorry. The acv.

>> Yes. So I was asked through correspondence -- I know the meeting has been pulled a couple times -- to really talk about the ways in which we market music through our activities. I can talk a little bit, if we want, about where some of these programs are coming through within the bureau because I know you had questions on the budget. And just a quick recap about what we do at the Austin convention and visitors bureau, increase the demand for hotel, attraction, visits, retail, sales, restaurant receipts and local transportation in the Austin metropolitan area, boost demand for and usage of Austin consequence center, support economic vitality of music, entertain mash and international media

exposure four Austin and our diverse attractions.

[4:04:49 PM]

Our focus of course is on soliciting convention business to the city, consumer marketing, tourism and sales marketing, which is marketing directed to our operator and travel packaging with operators from around the world. Marketing and communications activities. Film and music marketing. Sports events marketing, which is sports events marketing focused on bringing in those sporting events to the city and working in conjunction with convention sales department. Visitor services through -- we do operate the Austin visitor center, and convention services. So some of the things we do promote, not in any particular order, certainly not a complete list here, of course live music, downtown package, and these are things we promote to the consumer, to the travel trade and of course to the meeting planners. Outdoor heritage sports, attractions, festivals and the safety of our city. Flub by the Numbers -- by the Numbers, the total annual visitors, 22.6 million, visitor spending 6.7 billion, and tourism jobs supported in the city are 58,000. In addition, the state of Texas reporting that travel spending in 2013 generated 8.5 billion in local state and federal tax receipts, equivalent to \$900 for each Texas household. This information comes from dean running and associates and [indiscernible] That do many economic development tourism impact studies for multiple cities and states around the country. So some of the marketing and promotional activities, you can see here some of the ads that we use, not only in print, which print is very limited, but we do do a lot of digital advertising. You'll see here the focus is on whether it's food, on the outdoor, it's on imposing out and enjoying music.

[4:06:56 PM]

New meetings platform, one of our ads focused last year on promoting those things that of course are important to the meetings market, the number of hotel rooms, number of nonstop flights, music venues, of course we're going to be a proud host of a big conference coming in next January, and also the opening of Dell medical school. It is really an opportunity with Dell medical school opening here is really opening the door for us to attract a lot of the medical conventions we haven't been able to in the past. So this is one of the ads that we run focusing on the planners on bringing their meeting to Austin. We added a new music incentive. One of the ways we use music in the ways that we do, the planners are always looking for opportunities when they come into cities, are looking for added value. So we ran a contest for those that are going to be booking -- potentially booking meetings and hoping to nine -- finalize that, the opportunity to book multiple music acts while they're here. Here is an example of some of the digital executions I talked about. We run more digital and most are focused on that music theme, whether it's routine, rock a new ensemble or two while out shopping, open air concert while out experiencing lady bird lake. Our weekly basis is of course our number 1 location that most visitors are going to get information about coming into Austin. We have the website that includes venues, festivals, information on musicians. We have local artists emerging, events calendar listing multiple activities and we also have content in eight languages. Social media accounts, we have multiple, one for the bureau, one more meetings, one for the music office, one for the film office. Here is the Austin cdb bureau's accounts that focus on multiple activities throughout the city as we target the traveler.

[4:09:07 PM]

Dedicated Instagram and Twitter music accounts. You can see here are the number of followers, and specifically for the the music Austin Instagram. True Austin music expert. If you've had a chance to go look on austintexas.org you'll see a section that talks about getting that true Austin expert to respond to

any specific questions that you have. So we've gone out to various people in the community that -- one, we know will answer a lot of questions, do a good job for oust, but also those that have a little bit of expertise in their area. So we cover food shopping, outdoor family, racing, and other events, and we also have actually somebody from the city, Natalie bets up there, I believe we're changing that out shortly but she's been answering any questions that came through our portal requiring any, you know, information on business. You can see here this is Greg Ackerman, some of the things that he's done for oust. He's pretty good about answering a lot of the music questions that don't come directly to our music office website. The Austin music office promotes Austin as the live music capital of the world, markets directly to conventions, president and works with the local music industry. And of course ultimately our goal, as we do anything at the bureau, is to bring visitors here and hopefully enhance the visitor experience. Before I move on, I want to introduce omar lizano right here. He started last week. He is our new music industry marketing manager and we're very excited to have him on board. So thank you. And I think one of the questions that was asked, I think at one of the previous meetings, was the break-out of musicians throughout the city and those that we use.

[4:11:10 PM]

So the hire an Austin musician program is a program that we manage at the bureau and what we do is we refer local acts to conventions, meetings, and any other that's what come in. We may get a request for a wedding. I think we've had about 50 holiday party requests come in for us to refer musicians. So what we do okay, particularly what omar is going to be doing, is taking the information from the database that we've assembled of artists that have come to us through many different channels to say, hey, if you have anything happening in Austin or you have anything on the road that you're going to be taking musicians I'd like to be included in that opportunity. So the database has gone up to about 400 artists. We have about 26 different genres represented. We referred over 1400 and so that could be for a convention we may refer 30 or 40 artists based on their specifications because they may hire two or three for various evenings. But we can actually track at least 100 of those were hired by the entity last fiscal year. We also produce an annual CD. This one is a little different this year. We partnered with all atx organization to take some musicking that they had already licensed, but it is done by a compilation by Austin artists. That actually arrived yesterday, not in six weeks. So I'm happy to send over copies to you. We also have a 24-page guide that we include that does a breakdown of each of the entertainment districts listing a lot of the venues where you can hear live music, little history on music in the city. Those are mainly distributed to our customers, meeting planners, travel, trade, media press and visitors. We do extra books so we have them on hand and they're handed out at the visitor center and to convention groups.

[4:13:20 PM]

Other industry and special edition compilations we've developed in the last four years include the Latin alternative music CD, reel tunes, actually a compilation of music that was developed for film and television use by Austin artists. So our film office distributes these at film events as they meet with not only those that are going to bring in, you know, films and potentially filming into the city but opportunities for musicians to get in front of some of these outlets that may be looking for music. Live music Austin's soul CD, we are looking at going back and updating the Austin soul CD and also reel tunes at this time. One of the newer programs that we actually launched when we opened the visitor center last year was to bring in a local and live series. So, again, we go to the database that we have of musicians. We know we've had -- this genre of music this week. We want somebody different a couple weeks later. We do hire the musician. We bring them in and have them play showcases. It's usually

every other Friday and sometimes on Saturday. Some of other opportunities we've already --

>> Troxclair: Hang on one second. There's a question.

>> Houston: Excuse me. Where do you showcase them?

>> I'm sorry, at the Austin -- at the visitor center, down at fourth and red river area.

>> Houston: Okay.

>> Troxclair: How many -- how many people attend?

>> Oh, depends. We usually time them when a lot of the tours are going out. So the tour groups get the opportunity to experience the musicians. So if the duck tour is leaving or one of the overtures tour and then folks just coming and going on regular business at the visitor center. I can certainly find out what we --

[4:15:21 PM]

>> Troxclair: I was just curious.

>> Yeah, it varies. I mean, it could be 20 people here they go on a tour and another group comes in. Or it's -- it could be various people that are already shopping at the visitor center. One of the other opportunities we offer through our media buy and partnership activities we conduct, we did a recent one with southern living, again, if you go online to [austintexas.org](http://austintexas.org) or I can send a link to all of the videos we have available online focusing on music, custom videos developed in a integrated campaign with southern living. We have rights to these videos and will be using them for various activities. In addition we did other digital activities, digital and print opportunities with southern living. We also have entertainment district videos that we've just completed and are now on our YouTube site. We developed these specifically for the meeting planner to have a chance to know what each entertainment district provided or some of the opportunities for music, for food, for shopping. So all of those are up online. We also have video clips that we use on a regular basis. Of course all the music festivals and other events. Then we show those at trade shows. We also have videos focusing on chefs online that -- in fact one of them is currently running on food network and 90 international markets. New musical express or nme, based in the UK, are another example of one the partnerships we do that focuses on promoting music in the destination. We partner with nme as a headline sponsor for the awards. The 26 very integrated campaign will include -- has included more live units-events and expanded awards calendar and activation.

[4:17:22 PM]

As part of the six-month partnership we'll also give one of the awards away. This has been a great partnership with us. We've brought in multiother partners that are invested not only in the UK market but coming over here in the Austin market. Would we've developed for the third year a pretty robust campaign. And we're excited to see the results. One of the results that we saw from last year's campaign, because we do do pre and post studies on this type of campaign and just about on every campaign that we do, 89% of the -- of those polled were considering a visit to Austin versus 56 of those questioned before the campaign launch last year. So we've seen a gradual increase of interest in coming to Austin based on activities that we're conducting specifically with this campaign and in the UK. One of the other things that we do to promote the destination promote music is take the Austin air stream out on the road. We take muse incorporations with us, we -- musicians with us, focus on heavily targeted consumer activations and multidomestic markets and in fact have taken the airstream on the road over to contained Canada last year. This is an example-what we've done this last year, went to San Francisco pride, San Diego county fair, partnered with you can see here virgin America and Westin. We had Chavez and Sao Paul that participated in San Francisco and in San Diego. We talked a little bit about

conventions and those conventions coming in and, you know, using our database and we take care of referring over musicians. Here is an example of two convention that's came into town earlier this year, hospitality financial and technology professionals hired 20 local bands for their annual convention in Austin, spending over 14,000 in musician fees.

[4:19:26 PM]

The year before, the national funeral directors association hired 19 local musicians for just one convention. So it is certainly something that we sell to the conventions and certainly push that, while you're in Austin, it would be a great opportunity to hire musicians and local musicians to participate in your activities.

>> Houston: So, chair, so the funeral home directors association really enjoyed being here, I take it?  
>> They love Austin, yes. No. It was interesting. We get great comments back. They really loved being in the destination. It's a rather large conference, and they had a great time in Austin. They certainly frequented many of the venues and definitely took advantage of a lot of the local talent and hiring them on. Just another example of how we carry over the music festival theme into informant things we do, you can see here this is one of our booths at one of our international trade shows channeling the festivals we have in town and of course always having flash at that time on hand from our local company. Some of the ads you can see we change up a little bit of the ads based on direction we're going but, again, we focus on the music component of the destination. The diversity of Austin music, we talked a little bit about that one when I put up the chart and I also provided a chart many your packet that you have at the desk. This is an event that we actually hosted for an association that was in town not long ago, and we hired multiple groups of musicians to come in. The crowd loved it. The clients loved it. And it was a great opportunity for some of these groups to get in front of other associations and so forth they're going to be hiring in the future.

[4:21:27 PM]

Again, we talked about taking music on the road. Here's some visual examples of what we've done. Big apple bash confuse New York, we like to work with that group as the music sponsor. We've taken groups a couple of times, actually, to the big apple barbecue. Taken music on the road, Denver, Orlando, here's a diversity of groups we have going with us. D.c., New Orleans and Memphis was part of our original roadshows where we took musicians with us, did popup concerts along the way, promoted directly to the consumer and meeting planner on activities. Again, you can see here these are Indianapolis, Chicago, and Minneapolis, Toronto and niagara falls and Chicago. This was a little different event, and this is an event that we're -- we will be host og, which is pma, we will be hosting this event here in Austin, one of the largest and most important industry conferences. We will be hosting that here in January of 2011. Finally -- 2017.

>> Troxclair: Before you move on, with all of these, I guess, tours or these -- where you're going to Chicago, Toronto and all these places, I mean, are they dovetailing with other music festivals already there? Are you kind of just like setting up in the middle of a busy square?

>> Most of them are tied in with a larger event. When we went to Toronto we cross the backward and were able to take over the stage for the summer concert series at the falls and then we went on to Toronto and participated in the music showcase for north by northeast. We've done -- set up at la la pa loose; also done activities where we have set up separately like at the Navy Chicago pier or activities or venues where Austin artists are playing whether -- I think San Diego state fair, somebody else had brought in Sao Paul and we were part of the package as far as exhibiting.

[4:23:43 PM]

>> Troxclair: The idea is that people come and experience a little taste of Austin and then hopefully decide to visit?

>> That's what we're hoping, yes. Yes. It's a turn -- that they'll turn around and visit. The final slide here is our current destination video. It's a little bit different than what you'll see at most destinations. We brought in musicians -- well, musicians from all over the city to come in and participate in the video. We shot in locations all over the city, again, this is located on our site. I'm happy to send overview a copy. This is one slide from the video itself. It's actually a fantastic video, more of a music video, we thought was very fitting for the destination versus a lot of voiceover and other slides, you know, just talking about the destinations. So I hope you have a chance to take a look at that. So I think that wraps up some of the marketing activities. And, again, this is just a snapshot of some of the visuals. We definitely have a lot more.

>> Troxclair: Members, any questions?

>> Houston: Do you have anything to do with the music at the airport?

>> We don't. That's handled through the city. And they have somebody at the airport, I believe, that does the booking.

>> Houston: Okay. And what about circuit of the Americas?

>> No. That's handled through their booking, I believe it's live nation that handles their booking.

>> Houston: Do you ever do popup concerts at city hall?

>> We don't, our activities are focused on non-austin markets, we're attracting visitors to come in.

>> Houston: You're doing it at the visitor center, we have visitors here all the time.

>> Those are visitors through the visitor center. Naz just a location that we operate so it was easy to offer that there at the visitors center.

[4:25:44 PM]

>> Houston: Okay.

>> Troxclair: So do you have a break-out of your -- the total budget and what -- what the money -- like how much -- what percentage is being spent on music-focused activities versus other activities? Because this is only one component of what y'all do, right? Or not really, this is an overview of everything y'all do?

>> No. This is a snapshot. It could have had most everything. We're here to promote the city, to promote the city to meeting planners, bring in meetings, to leisure travelers, to travel trade, to package the destination. We're here to fill the hotel rooms.

>> Troxclair: I was really trying to remember, and I don't know, Mona, if you might be able to help me with this, I'm remembering this correctly, right, that this was a referral from the full council? So I was trying to remember what the question was that led to the referral of this item to this committee so we can hopefully answer that question or provide feedback.

>> [Off mic]

>> Troxclair: Okay. That's what I recalled. I recalled just that councilmember Garza -- I think it was councilmember Garza, I hope I'm not attributing it to her incorrectly, but that when we were looking at the total budget for the acv there was -- she notice that the allocation that was going to music versus other activities seemed to be really small and I think she wondered why this was the case when we feel like so much of our identity, when it comes to visitors and culture and all those other things, is tied specifically to music. So I was wondering if you had that information?

>> Well yeah. I think we have to look at it as the information that I presented, anything that goes through production that's creative, road trip, anything like that, that all goes through the advertising

budget. Although it's pushing music and supporting the music office, that's all handled out of advertising communications.

[4:27:48 PM]

Those budgets that are split in for -- again, for advertising for media, for production. The music budget I have as, just shy of like 300k. And that handles the hiring of the musicians for those events that we do. Like we talked about going on the road. So that budget is in the music -- specific music office budget.

>> Troxclair: Okay. That is the entirety of the music office budget?

>> Mm-hmm.

>> Troxclair: What is your total budget?

>> This year we're at -- for hotel tax, 14.

>> Troxclair: 14?

>> Mm-hmm 14 million.

>> Troxclair: 14 million. So that's probably what it was, that if only 300,000 is being allocated to your -- that's the total of the budget of your music office out of \$14 million. That's probably where that question came up.

>> But, again, because they're not handling the creative, advertising and all of those things we're doing, those are coming from the advertising budget and through the activities that we do with the ad agency, any of the road trips, any contractors that relieve to hire -- that we have to hire, any music is focused on development of the CD compilation and the direction we're going to go with that, the development of the music maps, the booklet and then a few other, you know, industry trade shows that we would attend, any other small marketing activities that we would confine to that budget. But the rest of it, what you saw on screen as promoting music is coming from another one.

>> Troxclair: Okay. Councilmember Casar?

>> Casar: No. I was mentioning that it might be helpful to -- obviously organizationally we're not asking you to change the way you label things but if we could -- it may perhaps be more informative when we have future conversations to have your best estimate of what portion of that budget is really potentially spent on music-related stuff, whether or not it fits nicely into the music category, as you -- you know, you have to bring your own budget the way you want to.

[4:29:51 PM]

That works for your operations, but, you know, it may not -- if the 300,000 dollars number may not be exactly the right number for what we're looking for.

>> Troxclair: That's a good suggestion. It would be helpful to understand. I would be curious if the budget, the way it is presented to us, is not necessarily reflective of what is being spent in those specific areas, I would be curious to see the breakdown, not solely as it pertains to music, but other arts and cultural, you know, things. But that was the genesis of the question so that external helps. I mean, can you estimate -- certainly helps. Can you estimate, based on presentation, it seems like it was -- like you said, the music was kind of intrinsic and involved in a lot of different things you do because I would think it would be a natural attractor. Would you say, oh, yeah, 50% of the things we do probably include -- can you give us that number off the top of your head?

>> You know, what? I would think based on everything that I've shown you, I mean, it's -- we start with music.

>> Troxclair: Okay.

>> That's what we do okay, go out and push music. Now, there's so many other opportunities you hear and you can see from the affidavits and -- the digital and print ads we definitely tie in the different

opportunities you can do here in the city. I would say it's probably 80% is music-focused to the potential traveler to come in the destination. To experience music while they're in the destination.

>> Troxclair: Okay.

>> You know, doesn't mean they're going to do that 24/7.

>> Troxclair: Sure.

>> They're going to go eat, go out to the lake. They'll do so many other things that we have other ways of presenting those opportunities to potential visitors.

>> Troxclair: I think that helps to answer the question. So I appreciate it. Do y'all do all of your marketing and things in house? Or is that an agency that you're hiring?

>> It's a MIX.

>> Troxclair: What?

>> We do have an agency. We have Latin works based here in Austin is our agency of record.

[4:31:55 PM]

They handle a lot of the advertising. The campaign that you saw was done by a previous agency. We just brought Latin works on as we went through an rfp process. So Latin works is the agency of record.

>> Troxclair: This one was previous?

>> That was a previous agency, yeah.

>> Troxclair: Okay. I mean, I just -- looking at -- and then y'all handle all the website and everything?

>> We handle all that. We do have a contractor that handles the back end for us but all the social accounts are handled by staff. All the, you know, website main development creative is handled by staff. We do have a staff person on board that handles a good amount of the smaller, you know, activities illustrative activities.

>> Troxclair: I guess I was going to compliment you on all of the -- all of the visuals and the ads, I mean, like they really -- I think they're very impactful and well done.

>> Thank you.

>> Troxclair: And really tie different aspects of Austin altogether in kind of an easy advertisement so --

>> Thank you very much.

>> Troxclair: That's the one I was looking at, the stage dive. That's a perfect kind of compliment to a lot of the activities that we have here.

>> Houston: I'm going to look at the destination video because I don't see any women in here. I'm sure you have women in the destination video.

>> Yeah.

>> Houston: But the front looks like it's all males.

>> That was just a slide we took from -- oh, yes, we have multiple female.

>> Houston: All right. Just want to be sure.

>> Yeah, sippers -- singers through the the video.

>> Houston: Thanks.

>> You'll see a lot of locations throughout the city. We were able to take the singers in fact a couple were brave enough to go over to 360, top of the area overlooking the bridge and perform. So it's quite a nice showcase of not only the musicians but the destination.

[4:33:56 PM]

>> Troxclair: Great.

>> Thank you.

>> Troxclair: Thank you so much for the overview. I appreciate it. Okay. That will bring us to item



number 9. Briefing by economic development department and discussion to building Austin's creative capacity needs assessment study for the creative sector.

>> Assistant director with the economic development department and I'm just going to briefly present our summary items for our creative needs assessment. This powerpoint was presented to the community on November 4 by our consultant, wolf brown. Unfortunately they could not be here today but I'm going to present their findings. So our objectives for the creative needs assessment was to identify support structure needs of Austin's nonprofit arts/culture organization and individual creates, identify gaps between the support structure services needed and those offers. Do I need to wait since we have two -- okay, all right. Provide a report on findings and identify recommendations to guide the cultural arts division support and capacity building services. Just as a side note, this study evaluated all creative sectors, including music. It did not focus on the for-profit industries because as a part of our small business needs assessment in a was covered under their needs assessment so this is strictly nonprofit, organization, and individual creatives. The scope of the service as previously stated was for individuals, artistic, cultural, creative content and of arts and cultural organizations. So our research methodology, we convened a steering committee that did the beta testing in December 2014.

[4:35:59 PM]

We launched an online survey from January 14 through March 14 of 2015. We held a community meeting in May of 2015 and then later, in September of this year, we held a specific focus group on hispanic, Asian, and African-American constituents. We started with the creative individuals. We had 979 respondents to start the survey, 529 -- 528 respondents completed the survey and the of the 978 an additional 190 provided useable data so we could compose a total respondents on the individual side of 718. Those disciplines include literacy arts, visual arts, arts ed and community arts, folk/creative heritage, performing arts, film, media, photography, design and architecture and this is a chart of the percent respondents. Of the survey respondents, this breaks out the percentage of African-American, Asian, native, hawaiian and non-hispanic. As you can see, in certain categories, it was low compared to those of the msa. So what we did, once we recognized this fact, we convened specific focus groups for the Asian community, the African-American community, and the hispanic community to true-up the findings of the overall survey in terms of the individual responses. So we were proactive in recognizing that the survey didn't reach enough people as compared to the msa. Of the nonprofit cultural organizations we had 103 respondents to start, 67 to complete the survey, and we had an additional 19 organizations that started and we were able to use some of their data for a total of 87 respondents on the nonprofit and cultural organizations and here, again, breaks down the types of organizations that responded.

[4:38:19 PM]

So you can see from art ed to dance companies to musical groups to musicians and theater companies. Of these organizations, 36% respondents operated on less than \$50,000 per year. 25% fell between 50 and \$200,000. 22%, remember, just of the respondents, fell between 200 and \$1 million. And then 17% of our respondents had budgets over \$1 million. Fully and as mentioned previously, because the individual respondents Parmer did not compare with those of the msa, we went back and held four specific focus groups, one for the community, one for the hispanic, Latino, asian-american and African-American sessions in September. Of those who participated 80% were lifelong residents and 20% were new residents. It was evenly split between creatives and nonprofit organizations and it was a very good MIX of artistic discipline. When I say this was probably the best part of the survey because we actually got down to sit and dialogue with those communities to really hear from them their perspective on the

creative community. So what did we find in this needs assessment? We found that individuals appreciated the variety of support services available, but they experienced some barriers. Not enough accessible information about resources and services, insufficient marketing, publicity and branding. Some can't find the time because of the size of the organizations or just them trying to be productive. Costs could be prohibitive because if they took time to find resources, they're taking it away from their craft.

[4:40:22 PM]

Other information that we had, they had a strong desire for networking and mentoring. They wanted more attractive -- they're more attracted to informal and self-directed learning opportunities. They were interested in a centralized information resource and a professional development resource, not only online, but in physical. Individuals, they want to continue to hone their creative skill and more -- and more important, it was -- it was more important than them expanding their business skillsets, and that could -- skills, that could seem faux pas purchase they were going to address that. They wanted financial support. Topics of most interest to nonprofit was generating earned and contributed revenue. Continuing on, they thought that the vibe in Austin was strong. It was a strong creative vibe, but they're very, very concerned about the cost of living and working in Austin. It's a very serious concern, again, across all creatives. And individual creatives want to see more motivation to buy local Austin art. We heard from a lot of local artists that they sell out of town, that they don't have many buyers here in Austin. Of the ratings, we wanted to say, well, how did you rate Austin? 3.5 out of five said it was a great place for creatives to live and work but also, remember, on the other hand, that the cost of living is high too. They also felt that -- rated Austin 3.3 out of 5 that they felt nurtured and supported by the community of creatives. Organizations rated Austin less than 3 out of 5, said that the arts and culture sector in Austin is well-supported but not to the best that it could be supported.

[4:42:28 PM]

So that was one concern. And, also, from our diverse focus group, the ones that we had in September, they basically background truthed what we had already -- ground truthed what we have already confirmed but here are some differences. They want more cultural centers suitable toll all their creative needs, small personal organizations have little time or money to access services. Financial resource. It's very difficult for them to access resources because of the lack of information. Audience development is very challenging. They want help to develop a broader audience so they can increase their revenue. They rated Austin much lower than the overall survey. They want more of a supportive environment for their creative organization. Again, this was from our diverse focus groups. And the need, more basic business support service in early career stages. So what did our consultant come up with? Here are the conclusions. The stopping desire that resources will help -- strong desire that resources will help themselves, not only individuals but nonprofit organizations. They can't access needed resources and service because of costs or time. Finding resources and service opportunities is very challenging, even though the economic development department, cultural arts office offers several resources. They felt that it was still a challenge. They want more networking and mentoring. That we heard consistently throughout the survey. Again, from all disciplines. And they have a strong interest of having a centralized resource because they may have a friend that provides one set of information and another friend that -- another organization that may provide another needed resources.

[4:44:29 PM]

So what do we -- what did the consultant recommend, which economic development office is concurring with. Establish ongoing creative sector dialogue. What does that really mean? We need to convene more service providers on a regular basis so that we can evaluate programs that are not only provided to the city but other nonprofits so that we can eliminate duplications. We want to engage networks and build alliances across the creative sector, have regular dialogues, opportunities to bring members of all sectors together so that creative vibe can continue to flow. And build a database of community members because a lot of -- not a lot, but when we held the diverse focus group, a lot of members in those meetings had heard of each other but met each other at those meetings for the first time. The second recommendations are develop program delivery strategies. In other words, we need to expand online services and programs, such as articles, videos, and webinars. Focus on our resources on priority content. Such as publicity, donor cultivation, communication and marketing, having online resources to teach individuals and creatives about those topics. And develop a mentor program for professional and creative development. It's nothing like being able to talk to someone who has been in your shoes or who started out and is struggling to be able to get support and assistance from. The third recommendation is to develop a centralized online resource. Build a centralized resource database for services and programs. Again, across all providers. It would be a knowledge hub. It could provide on-demand resources it could create a link of resources on program-specific content and it could be user-generated content, such as job postings.

[4:46:38 PM]

We heard that too. Fourth, address access to space. This is probably the -- was not probably. This was the number 1 issue when we held the community meeting. We did an online polling, and space just kept growing bigger. We have several creatives that are being displaced. I'm sure you're aware. So, again, they need access to space and access to affordable space. So they're recognizing that we need to implement a software or searchable database that provides a directory of spaces that are available, address zoning codes and other relevant city regulations that would be supportive of the creative sector. Again, across all creatives. And the last recommendation is develop a physical space for the creative sector. This recommendation is similar to what we have in small business. We have a small business solution center. The creatives and the individual artists would like to see a physical resource dedicated directly to nurturing and developing Austin's creative sector. Not only incorporating physical space for productions, but meeting space and online resources. It should have staff support and reference material, et cetera. So, again, this survey that -- needs assessment that we commissioned covered all the creatives, and these are the five recommendations that our consultant has come up with, and these are our recommendations. Do you have any questions or concerns?

>> Houston: I have one, one question.

>> Mm-hmm.

>> Houston: The fashion industry, is that considered a creative?

>> Yes, it is considered creative, yes, it is.

>> Houston: So did they participate?

>> Yes, they did participate.

>> Houston: Thank you.

>> And they have already -- we put them in touch with some developers that are developing some spaces that are -- right now, and so that is a part of it.

[4:48:47 PM]

But fashion, theater, design, mobile design are all with that. But, again, that space issue, again, if you

could rank these, what popped out is that they're losing their space. And so it's not just -- it's the whole creative sector, musicians to dancers to theaters.

>> Troxclair: Thank you for that overview. I'm sorry if I messed -- missed this at the beginning. So is there funding attached to following through with these recommendations?

>> No. We are -- some items are low-hanging fruit that we had already started, but we're still addressing the needs of developing a creative space, what that would look like, what that could cost, et cetera. But the online database, that is something that we had done some research on that we could bring back an amount to build that creative space or partner. We're looking for partnerships too because we know the city's funds. So we are looking for partnership. But out of everything that -- the night we presented, it's the physical space that is the number 1. We're developing online curricula in conjunction with our small business because they've been around for 15 years, created training. We have the artists ink program that we currently only have capacity for 25 slots a year. So, again, that's building business skills. But the space is not -- we haven't developed a final amount of what that could cost.

>> Troxclair: Okay. I know -- I heard a presentation recently about -- since councilmember Houston brought up fashion, they have -- they launched a few years ago what they call kind of a fashion incubator.

>> Actually, we conducted the study and released it to council.

[4:50:48 PM]

We had a proposal of about \$15,000 for equipment, but it did not include space. We were on -- on trajectory we thought to acquire some space that did not occur within the city, but there are other developers of creative spaces that we've connected the fashion industry to that will be coming forth with space.

>> Troxclair: Okay. Yeah, I would be interested in following up on that. I mean, one of the most interesting things I thought about their program, not only were they really effective in getting up emerging designers the exposure and providing them with the physical space for them to work and paring them with mentors and getting them into fashion shows, et cetera, et cetera, but they did have a small full-time staff that was run by -- I guess funded by the city but they did it all for about \$300,000 a year, which I just thought was amazing. So --

>> If it was -- well, I would be interested on that funding. We didn't fund them, but I would love to meet with them.

>> Troxclair: I mean, I don't know. I guess they're just -- I'm sure I can find out who to put you in touch with.

>> Okay. We've met with several designers, designing companies, manufacturers that we're coordinating the relationship with, that they've developed this model and so because the funding wasn't approved as part of our budget, now we're just playing coordinator.

>> Troxclair: Mm-hmm, okay. Well, I just -- I guess I'm sharing that story because I was impressed at everything they were able to do on such a small budget. And I know -- obviously, Toronto is an expensive city.

>> Oh, yes, we have that.

>> Troxclair: Expensive just like Austin is. And that was specific to the fashion industry, but I think could you probably replicate it. And I know the music department is working on some of their own specific music ideas too.

[4:52:54 PM]

Okay. Yeah, I mean, I just -- I -- I'm an action-oriented person so I love -- obviously we need to do the

community surveys and we need to have good plans and make sure that we're being thoughtful about our strategies and things like that, but at the same time I want to do it.

>> Exactly.

>> Troxclair: I want to address it, fix it. I want to get to a place where we're ready to say here's what we need to do, how we're imposing to do it, how we're going to leverage it.

>> You're right on point because, as you probably well know our business plan is due in December and we have the creating space for both music and creatives within the plan so our next step will include the funding once we get to forecasts.

>> Troxclair: Okay, thanks. Okay. I don't think -- is that was just briefing so I guess we're not taking action. Thank you for the information. Then we're almost done. One more item, briefing related to resolution regarding the creation of an entertainment license.

>> Hi.

>> Troxclair: Hi. Thank you for sticking with us.

>> Economic development department music and entertainment division. My colleague don fits was supposed to be here but he had to leave on a family medical emergency so I'll be presenting on our behalf today. I have a powerpoint here somewhere. This is our initial update and staff in various departments are the still being briefed on this plan, but -- on how these recommendations will be carried out. This is our current update on the entertainment license. On September 25, 2014, council adopted this resolution directing the city manager to examine several issues to ensure the city is creating safe and vibrant environments in downtown districts and report recommendations to Austin city council. Those included creating entertainment license to support consistent enforcement of sound, safety and security proficiencies, making information about conditional use permits available via qr codes, expanding public assembly code enforcement authority, identifying leads for security to preserve or enhance nightlife economy -- sixth street, activate closed streets on weekends for performance artists and mobile food vendors, open garages for public nighttime use, public tax exceptions for tenants who have received multiple code violences related to fire, safety, underaged drinking.

[4:55:27 PM]

We took that resolution and on July 17, 2015, staff provided the -- one thing of note in June of this year we also received the results of our music industry census report so the results of that report along with further research with that we provided the following recommendations. Creating the entertainment license to support consistent enforcement of the sound ordinance, safety and security provisions. And these kind of go along with the -- we're looking at this practice based on fellow cities who use this practice as a business license, Seattle, San Francisco, and Chicago. So those would be per our staff report moving amplified sound preemptory city code chapter 9-two to title 4 -- entertainment license to create a streamline process for flight life establishments, reidentify sound, suspend entertainment license for safety and synchronizing renewal and requirements for relevant use. So that is our update currently. It's a quick one. But as I mentioned we're still in our initial stages and we're still briefing our fellow departments on what exactly will be happening with this.

>> Troxclair: Okay. Councilmember Houston.

>> Houston: Could you define the boundaries of downtown entertainment district because downtown seems to be expanding so what is the definition for this particular --

>> We're talking about a couple different areas, specifically the east and west sixth street parts of the -- warehouse district and areas near the Marriott and where a lot of these hotels, Rainey street as well.

>> Houston: Rainey street is included?

>> That's my understanding, it will be in some capacity.

>> Houston: Okay. So as the downtown entertainment district goes across I-35 over into east sixth and --

will there be a point that we include them?

[4:57:31 PM]

In in this?

>> My guess is yes. I'd have to defer to my colleague, don, for that.

>> Houston: So would you take that question back to them.

>> Of course.

>> Houston: We're now hearing complaints about the bars and the entertainment on -- are now shifting over to the other side of seventh and sixth.

>> We're looking at all places where outdoor music venues are to assess and figure out where we're going to go from there.

>> Houston: Thanks.

>> Troxclair: I want to make sure I understand the time line. So in September of 2014, the council passed a resolution asking city manager to look at issues related to vibrant entertainment in downtown, in the entertainment district. So as a result of that process, the staff recommended in July -- on July 17 of 2015, that we create an entertainment license. Is that right? I mean, that's the recommendation that --

>> That's the recommendation.

>> Troxclair: That came out of that?

>> Yes.

>> Troxclair: Of that resolution. Okay. And so when is -- what is the time line moving forward for the rest of this project?

>> My understanding really on the time -- whatever you guys would like to -- council's time line.

>> Troxclair: Well, are we -- it sounded like -- you said something at the end, like we're in the -- still in the beginning stages.

>> We're briefing all the departments on what -- on all of these right now so once we have a formalized plans we can get it to you guys.

>> Troxclair: Okay. So we're awaiting -- I'm sorry. I'm just trying to understand what the next steps are. Are we awaiting a formal plan from the department?

>> Councilmember, the last item was the -- we are recommending the entertainment license and I believe it's going to come back in January.

>> Troxclair: Okay. It's coming back to the committee shall to -- committee or to the council.

>> Yes, we sent the memo in June to my recollection that outlined these steps so the would be to bring a resolution back to council, so that would happen late January or early February.

[4:59:41 PM]

>> Troxclair: You'll go straight to council?

>> Yes, unless you would like us to bring the resolution back here.

>> Troxclair: I just want to understand, when it's like -- this is the last time we're seeing this issue.

>> Yes.

>> Troxclair: I want us to know that.

>> Right because we brief you via memo and now we're here basically walking through the points of the memo and the next step would be to bring it back to council.

>> Troxclair: Okay. Councilmember Houston, did you have questions specific to that?

>> Houston: Again, if it's not critical, it's not an emergency, if we could post for February because we've got one council meeting in January and unless there's something that we've got to do very quickly.

>> No. We are aware of the concerns of the venues in east Austin. In terms of the noise.

>> Yeah, councilmember Renteria is not here, but he's channeling his conversation because it gets pretty loud.

>> Yes. And we've met with him on a couple of venues.

>> Troxclair: So I know that we need to wrap up this meeting here shortly, but can you go through maybe a little bit slowly then the last slide where you outline the five things that you're recommending? I want to understand what the effect of especially the first two things mean. What is the effect of moving amplified sound permits from city code chapter 92 to title 4?

>> And my apologies for our -- we will get that back to you in writing. How about that?

>> Troxclair: Okay.

>> Houston: Do we have a meeting in January?

>> Troxclair: We do, yes.

>> He had an emergency and had to leave.

>> Houston: We understand, but if there are other questions like that it may be better to come quickly and do something in January so the questions could be answered, that's all.

>> Exactly. We will have law here too.

[5:01:42 PM]

>> Troxclair: I can circle back with him on my own too. I wasn't sure if she knew more about this particular issue.

>> Yes, we're pitch hitting.

>> Troxclair: I guess then I need to ask the committee, do you want this to come back or do you want us -- I'm happy to just follow up with the department on the other questions I have. I just wanted more information about the details. So we don't need to hear it again?

>> Houston: So I move adoption of the staff recommendation. Is that where we are?

>> Troxclair: We're just posted for a briefing. I don't think that we're recommending it.

>> Houston: Never mind.

[Laughter].

>> Houston: It will have to come back to us in January anyway.

>> We'll follow up with you on your questions.

>> Troxclair: Okay. They're saying mayor not coming back to us. So I guess we can just tell council that we heard it, but we didn't make a recommendation. I guess.

>> Houston: I guess. It's a legal question.

>> Troxclair: Okay. Thank you. Appreciate it. And did we have any citizens that were signed up to speak on any of these? Items? Okay. So members, any -- I guess I'll circle back to the concerns that we heard about the mbe/wbe issues, and I have taken them to heart and understand the clear interest in making sure that that is a priority not only for our city staff, but for this committee as well. And so I talked with some of the stakeholders immediately afterwards and let them know that we will -- we will just plan to do a standing item. I think what would be most reasonable, but I'm open to other thoughts, is to do standing items quarterly for technology issues as well as report from the mbe/wbe commission as well as smbr.

[5:03:48 PM]

Our city staff can participate when appropriate and I think I'm also going to ask them to start doing a little bit more monthly updates. Not necessarily during the committee, but just via email to us to update us on what discussions and what progress they're making. Does that sound like a plan?

>> Houston: Sounds good.

>> Troxclair: Okay. So that will be our plan going forward. I know we have -- we do have a technology item on the agenda for January along with some other -- a few other things that I don't have in front of me right now. Did anybody else have any particular issues that are coming up that they're looking to make sure on the committee's radar?

>> Sounds like you got at least two. Atc, Austin technology and minority. Good.

>> Troxclair: Yep. Okay. All right. Thank y'all. Appreciate it. I guess the committee on economic opportunity is adjourned at 5:04.