



**City Council Questions and Answers for
Thursday, February 09, 2017**

These questions and answers are related to the
Austin City Council meeting that will convene at 10:00 AM on
Thursday, February 09, 2017 at Austin City Hall
301 W. Second Street, Austin, TX



Mayor Steve Adler
Mayor Pro Tem Kathie Tovo, District 9
Council Member Ora Houston, District 1
Council Member Delia Garza, District 2
Council Member Sabino Pio Renteria, District 3
Council Member Gregorio Casar, District 4
Council Member Ann Kitchen, District 5
Council Member Jimmy Flannigan, District 6
Council Member Leslie Pool, District 7
Council Member Ellen Troxclair, District 8
Council Member Alison Alter, District 10

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

QUESTIONS FROM COUNCIL

Agenda Item # 2: Approve an ordinance amending the Fiscal Year 2016-2017 Austin Water Operating Budget (Ordinance No. 20160914-001) to increase appropriations by \$850,000 and decrease the ending balance by the same amount for a settlement related to the City's rates for services provided to the Shady Hollow MUD.

QUESTION: 1) Why does this require a budget amendment, couldn't Austin Water use funding already approved in the FY16/17 budget for this settlement agreement? 2) Where is the proposed funding coming from? How much in total legal services did the City contract in order to represent the City in this case?

COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: Austin Water has proposed the settlement amount of \$850,000 as a FY 2017 budget amendment since this expense was not anticipated during the development of the budget. The proposed funding is coming from Austin Water's ending balance cash reserves. Since this unanticipated expense is so early in the budget year, it is difficult to determine if sufficient Council authorized appropriation would be available at the end of the fiscal year to cover this settlement expense. Austin Water may not exceed the Council authorized budget appropriation, regardless of whether the funding is available in reserves.

The City hired specialized outside legal counsel and budgeted up to \$700,000 for those legal services, services that would have been necessary to represent the City assuming the case would proceed to conclusion as a fully litigated rate-case (including prehearing motions, discovery, evidentiary hearing, and post hearing motions) before the PUC. If the case settles as planned, the costs should total less than \$70,000.

Agenda Item # 3: Authorize ratification of a construction contract with NATIONAL POWER RODDING CORP, for the Waller Creek Tunnel Project for total contract amount not to exceed \$1,703,316.40. (District 9).

QUESTION: How much in City funding has been spent on the entire Waller Creek Tunnel project? How much does the City anticipate to spend over the life of the project? Is the City legally authorized to use Hotel Occupancy Tax

Venue tax revenue for this project in accordance with Chapter 11-2-11 of the City Code? In staff's opinion, why were there no responses to the solicitation in November? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: 1) As of February 7, 2017 we have spent \$158,099,512.56
2) As of February 7, 2017 anticipated expense is \$162,901,000 for Construction of the Waller Creek Tunnel project.
3) Yes, the City is authorized by City Code and state law to use the 2% hotel occupancy venue tax for the Waller Creek Tunnel project. On May 2, 1998, the voters approved use of hotel occupancy venue tax revenue to fund \$25 million of these improvements. The venue includes both the convention center and the work needed to get the area out of the floodplain. This 2% can only be used for this venue project and for no other use. Below is the link to the ordinance calling the election which lays out in detail what the money is to be used for, and a link to the resolution declaring the results of the election.

<http://www.ci.austin.tx.us/edims/document.cfm?id=47832>

<http://austintexas.gov/edims/document.cfm?id=47328>

The additional costs above the \$25 million are funded with a council-approved Tax Increment Financing District (TIF) created in 2007.

<http://www.ci.austin.tx.us/edims/document.cfm?id=104236>

Council has periodically amended the TIF as the costs for the project have increased over the years.

4)The contract under consideration as part of this council agenda item is for the dewatering of the tunnel which is necessary to inspect the condition of the tunnel and conduct various other required tasks associated with the tunnel's maintenance. The dewatering needs are separate from the overall tunnel construction project. The funding source is transfers from the Drainage Utility Fund to the Watershed Protection Department Capital Budget that have occurred as part of the approval of the Capital Budget each fiscal year.

1. Contractors are weary of maintaining a fixed price for the next three years of the contract.
2. The contract left the company too exposed making it difficult to propose unit prices that would cover any unknowns and expenses for the duration of the contract.
3. Contractors were extremely busy already.
4. One contractor felt that the contract liquidated damages amount were too high, the scope was broad, and the cap of \$1.5M over a three-year period was too low.

Due to the time lost in an unsuccessful solicitation, and the critical need to start this dewatering and sediment removal work in February, if the need to expedite this contract as noted in the Health and Safety Purchasing Exemption did not

exist, the Capital Contracting Office would have re-issued a solicitation with the following adjustments in response to the aforementioned conditions:

1. Issue the solicitation as a traditional IFB, allowing contractors to compete in pricing rather than establishing a contract amount threshold
2. Define a specific scope of work rather than a multitude of services
3. Define a specific more realistic contract duration

Agenda Item # 24: Authorize negotiation and execution of an exclusive negotiation agreement with RedLeaf Properties, LLC, and Ryan Companies US, Inc. for acquisition of 5.164 acres and improvements on the southwest corner of Middle Fiskville Road and Highland Mall Boulevard at the Austin Community College Highland Mall Campus, and earnest money in an amount not to exceed \$650,000. (District 4) (Related to Items # 6 and # 7)

QUESTION: 1) How many employees will have a longer daily commute due to this potential move? 2) What impact will this potential move have on employees being relocated who currently travel frequently to City Hall to attend meetings or conduct city business? 3) How will this potential move impact the collaboration of city departments who are currently co-located in one office, or nearby? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: 1) The current average drive time for City employees in the Development Services Department and Planning & Zoning Department is 36 minutes. We estimate that the drive time to the ACC Highland Mall Campus location would be 38 minutes; understanding that for some employees the drive time would increase, while for others, it would decrease.

A key part of our analysis was transit opportunities. This proposed location is adjacent to Cap Metro Metro Rail and five bus routes.

2) The distance and commute between City Hall and the proposed location will be greater. In order to minimize the impact for visits during the typical workday, the following initiatives will be pursued:

Utilize a shuttle service similar to the one established when the Austin Transportation Department relocated to Lake Shore Boulevard. The shuttle operates timed pick up/drop off schedules throughout the day with stops at Austin Transportation Department, One Texas Center, and City Hall. The "Find My Friends" smart phone app is used to receive real time shuttle bus location status.

Utilize "hoteling spaces" at City Hall. These planned "hoteling spaces" will allow for employees to continue conducting business while away from their permanent work spaces.

Staff frequents the following boards/commission, which meet after the close of business. Should these boards/commissions remain a City Hall, staff would leave earlier to park at City Hall.

- Planning Commission meets at 6pm on the second and fourth Tuesday of every month.
- Board of Adjustments meets at 5:30pm on the second Monday of every

month.

- Zoning and Platting Commission meets at 6pm on the first and third Thursday of every month.
- The Environmental Commission meets at 6pm on the first and third Wednesday of every month.

3) Currently not all staff needed for 100% collaboration are co-located. There is insufficient space in One Texas Center. The intention is to co-locate staff from other City departments who are involved in the plan review process to improve collaboration. This new space will allow for that.

QUESTION: 1) Have CTM and the ATXN staff been involved in any of the preliminary planning discussions regarding the possible new building site? 2) Please provide a detailed description that explains how construction of the new Development Services building will relieve the City of the need to lease 200K+ of office space. It is my understanding based on the work session presentation that debt on the new building will be paid through eliminating lease space. Will the projected savings from eliminating lease space pay for all of the costs of the new building? Again, please provide detailed financial information. MAYOR PRO TEM TOVO'S OFFICE

ANSWER: 1) The request for proposal analysis included consideration and review of items such as location, site plan, conceptual building renderings, time to delivery, pricing, and an assessment of the development team.

Communications & Technology Management (CTM) and ATXN have been aware of the potential move to a new location. The next step of the process is detailed design, and CTM and ATXN will be part of that process.

The Development Services Department (DSD) and the Communications and Technology Management (CTM) Department executed a coalition agreement in July 2016 for the overall provision of technology services such as network administration, data security, and database administration. This agreement for services will continue with a change in locations.

Additionally, the Development Services Department (DSD) and Planning and Zoning Department (PAZ) have an internal information technology (IT) staff that coordinate with CTM to implement department-specific technology such as desktops, telephones, operational software, etc. The DSD IT manager has been involved in discussions regarding a new facility. The IT Manager will be involved in the next step of the process which includes facility design and specifications.

2) Currently the City leases approximately 250,000 square feet of administrative space, at the cost of \$6.0 million per year, which are funded by operations & maintenance budgets. With the proposed real estate acquisition, allowing DSD and PAZ to vacate One Texas Center (OTC), this would allow us to exit approximately 100,000 square feet of OTC, resulting in lease savings of \$2.8

million per year. We do not yet have final pricing on the real estate acquisition; but payment would be from debt service funds, not operating funds.

Agenda Item # 26: Approve execution of an amendment to the interlocal agreement for the Austin Regional Intelligence Center (ARIC) to include the following agencies as new partner agencies in the funding mechanism established to sustain the operations of ARIC: The City of Manor on behalf of its Police Department, the City of Bastrop on behalf of its Police Department, and the City of Sunset Valley on behalf of its Police Department; and authorize the City of Austin to negotiate and execute separate agreements with nongovernmental entities that employ police officers licensed by the State of Texas in order to make such entities ARIC partners. (Related to Item # 27)

QUESTION: What are the specific differences between item's 26, 27, and 51?
COUNCIL MEMBER TROXCLIR'S OFFICE

ANSWER: Item numbers 26 and 27 were inadvertently posted with identical posting language when the agenda was posted on Friday, Feb. 3rd. The correct posting language for # 26 was then posted as an addendum on Monday as item # 51. Item # 26 will be withdrawn by staff.

Item 51 amends the original 2010 interlocal agreement that created the Austin Regional Intelligence Center (ARIC). This original interlocal lays out the governance and management of the center. Item # 27 amends the interlocal that was developed in 2013 amongst the partner agencies to fund the ARIC. The 2013 interlocal is referred to as the "sustainment funding" interlocal, and the funds provided by each partner agency are primarily used to upgrade technology as needed. These two interlocals must both be amended when new governmental agencies desire to become partners in the ARIC.

END OF REPORT - ATTACHMENTS TO FOLLOW

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