



**City Council Questions and Answers for
Thursday, September 28, 2017**

These questions and answers are related to the
Austin City Council meeting that will convene at 10:00 AM on
Thursday, September 28, 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 # 11: Authorize the negotiation and execution of a cost participation agreement with the Austin Community College District for the City to reimburse the Austin Community College District for an amount not to exceed \$1,460,660 for costs associated with the design and construction of an oversized wastewater main and appurtenances related to Service Extension Request No. 3145 that will provide wastewater service to a proposed mixed-use development located at 5900 Airport Boulevard. (District 4)

QUESTION: In recent discussions, DSD has committed to providing onsite waste water management at its new location. Please explain the relationship between this agenda item and DSD's plans. Given DSD's intentions, is it necessary to increase the size of the infrastructure? MAYOR PRO TEM TOVO'S OFFICE

ANSWER: Austin Water is currently partnering with the Development Services Department (DSD) on innovative water strategies for the new DSD building that will substantially reduce potable water demand and wastewater flows to the wastewater collection system. However, anticipated total wastewater demands in the vicinity of former Highland Mall are expected to grow associated with other area development, beyond just the DSD building. This oversizing request takes into account that anticipated growth to meet future needs for the entire vicinity.

Agenda Item # 13: Authorize negotiation and execution of a professional services agreement with PARSONS WATER & INFRASTRUCTURE INC., (staff recommendation) or one of the other qualified responders for Request for Qualifications Solicitation No. CLMP230 to provide engineering services for the Greater Walnut Area Centralized Odor Control Facility in an amount not to exceed \$800,000. (District 1)

QUESTION: What are the phases involved in the vapor phase odor control? What is the anticipated length of time required to effectively eliminate the odors? COUNCIL MEMBER HOUSTON'S OFFICE

ANSWER: 1) The selected firm will evaluate the feasibility of vapor phase odor

control on the Walnut and Little Walnut wastewater conveyance system, and if deemed feasible and cost-effective, design and construct new centralized odor control facilities. Professional services will include preliminary engineering, design, and bidding. As needed, the City intends to return to Council to request additional authorization for construction and warranty phase services utilizing the selected firm to perform these additional services. The amount of authorization requested for the additional services will be determined after the design and bid phases based on the final improvements to be constructed under the project. 2) Austin Water has an active program to address and mitigate odors related to the wastewater system. This project will further enhance our odor control program and reduce odor emissions. The time frame for this project from initial study to completion of construction is estimated to be 5 to 7 years, providing the land is available and there are no easement issues.

Agenda Item # 15: Approve a resolution adopting the Austin Convention and Visitors Bureau (doing business as Visit Austin) 2017-2018 Marketing Plan and Proposed Budget; setting the contract payment as required by the Chapter 351 of the Texas Tax Code; and authorizing the City Manager to file the approved documents with the City Clerk's Office as required by the Texas Tax Code.

QUESTION: 1) We still don't have sufficient information about reserves for Visit Austin. Please provide a copy of ACVB's complete consolidated financial statement. 2) What revisions has Visit Austin made to its marketing plan and proposed budget to reflect changes made during Council's budget sessions on Sep 11, 12, and 13? 3) ACVB's documents indicate that selling the convention center is part of its marketing plan (pg 13); its mission also includes marketing local, Austin-centric business and activities. Please provide a specific breakdown (proportionally and actual dollars) of Visit Austin's marketing budget showing how much goes to market the convention center, the expansion of the convention center, and how much goes to market local business, film, music and sports. 4) In addition to \$6.7 million for marketing, ACVB's budget document proposes \$6.3 million for Convention sales and services and \$2.2 million for "finance/administrative/IT." Please provide a breakdown of these funds, as well. 5) ACVB's budget shows \$1.6 million for the visitor center, which I understand is located in the parking garage across Red River from the Convention Center. Please provide a copy of the documents – contracts, agreements, etc. – to demonstrate how you arrived at that amount, on what basis/comparables the rent was decided, and rationale for why ACVB would pay the Convention Center for this space since the revenues of both entities come from the same source. 6) ACVB shows a drop in projected partnership revenues, services billed, and donated services. I understand that this is due to not repeating the "convention commitment" from earlier this year. Does Visit Austin have a plan to shore up partnership revenues, etc., going forward? if so, what does the plan look like, and if not, when can we expect one? COUNCIL MEMBER POOL'S OFFICE

ANSWER: See attachment(s).

QUESTION: Does the Marketing Plan and Proposed Budget include the two items that were approved by Council during the recent budget approval process? First, does it include the \$1.2m for the Spring Festival public safety costs unanimously approved by Council? And second, does the plan and budget include the \$200k local business marketing grant that was unanimously approved by Council? When can Council expect Visit Austin to issue a solicitation for this grant? When will it come back for Council approval?
COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: The proposed budget and plan from Visit Austin includes the Spring Festival public safety cost. It does not include the grant program because Visit Austin has concerns about its ability to administer this grant. They will be prepared to discuss this with council.

Agenda Item # 16: Approve a resolution authorizing the City Manager to grant agreements for Fiscal Year 2017-2018 in an amount not to exceed \$8,624,405, and authorizing payment in the amount of \$60,000 for Zachary Scott Theatre Center maintenance required under a separate operations agreement.

QUESTION: Please provide a copy of the scoring matrix that goes with the results in exhibit A (not the score sheets for each entity but the blank matrix itself). Why is payment to the Zachary Scott Theatre being pulled out specifically here within the broader resolution for the cultural contracts instead of being brought as a separate item? The RCA states that there is funding in the Cultural Arts Fund for the \$8,624,405 required for the cultural arts contracts this year, does the funding for the Zachary Scott theatre O&M come from the cultural arts fund as well? Please explain where the money for this O&M comes from.
COUNCIL MEMBER ALTER'S OFFICE

ANSWER: 1. See attachment. 2. It is specifically called out because it is a payment for a separate agreement that does not follow the cultural funding process due to a contract that has been in place since 1987. In 1987, the City entered into an arrangement with Zachary Scott Theatre Center (now re-named as ZACH Theatre) to, as the contract states, "provide funds for the maintenance, repairs and improvements to the Zachary Scott Theatre Center facility (the "facility") in order to assist in the maintenance of the facility for use in staging theatrical productions by ZACH and other performing arts groups at a rate equal to 1% of the City of Austin Hotel Occupancy Tax." Since FY 03, the City of Austin has negotiated a flat \$60,000 maintenance fee in lieu of the 1% of the Hotel Occupancy Tax. 3. Yes, the \$60,000 payment comes from the Cultural Arts Fund.

Agenda Item # 17: Approve negotiation and execution of an interlocal agreement with Travis County to purchase emergency response vehicles from Travis County in an amount not to exceed \$1,616,600.

QUESTION: Please provide detail on the savings generated to support this purchase that are referenced in the RCA.
COUNCIL MEMBER ALTER'S

OFFICE

ANSWER: In FY17 ATCEMS has generated these saving primarily through vacancies at the Medic II – Field position; however, some savings were generated through other vacancies within the department. These savings were above the vacancy savings requirements and the year-end savings required from the department. In FY18, the department anticipates completing two promotional processes to fill the Medic II – Field vacancies but anticipate additional vacancy savings will be generated while we are completing the processes. Per the current meet and confer agreement, the Medic II positions are promotional positions and must be filled with eligible Medic I – Field employees.

Agenda Item # 19: Approve an ordinance amending City Code Chapter 2-10 (Municipal Court) to revise and add provisions regarding indigency.

QUESTION: Please provide information relating to the number of individuals detained due to non-payment of a Class C Misdemeanor (with their identifying information redacted), the date in which the detainment occurred, and the name of the Judge presiding over the case. MAYOR PRO TEM TOVO'S OFFICE

ANSWER: See attachment.

Agenda Item # 21: Authorize the negotiation and execution of Amendment No. 1 to the Agreement Concerning Implementation of the East 11th and 12th Streets Urban Renewal Plan between the City and the Urban Renewal Agency relating to the roles, responsibilities, and processes for the redevelopment of the East 11th and 12th Street Revitalization Project to add two 12-month extension options.

QUESTION: The RCA for this item states, "The Agreement includes procedures for modifying the Urban Renewal Plan, for disposing of properties currently held by the Agency that were acquired in furtherance of the Project, and any and all other terms necessary for successful completion of the Project." What properties are currently held by the Agency and for what purpose or use would any of them be disposed? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: The Urban Renewal Agency currently owns the following 15 parcels in two Blocks along East 11th Street:

900 Block of East 11th Street (Block 16)
916 and 920 E 11th Street, 907, 909, 911 and 913 Juniper
1100 Block of East 11th Street (Block 18)
1100, 1106, 1112 and 1114 E 11th Street, 1159 Waller, 1109, 1103, 1105, and 1107 Juniper

The properties held by the Agency must be disposed for the uses and permitted project controls in the East 11th and 12th Street Urban Renewal Plan. The uses

identified specifically for these two blocks, include mixed use, office, residential, civic, commercial and townhouses.

Additional information regarding the East 11th and 12th Street Urban Renewal, as amended, can be found at the following link:
<http://www.austintexas.gov/department/urban-renewal-plan>

Agenda Item # 24: Authorize negotiation and execution of a 12-month contract with PEOPLEFUND to fund and administer the Community Development Bank program, to support job creation and expansion of small businesses by providing loan services, in an amount not to exceed \$150,000 with one 12-month extension option in an amount not to exceed \$150,000 per extension option, for a total contract amount not to exceed \$300,000.

QUESTION: Can NHCD provide a list of the job creators and small businesses to which PeopleFund have provided loans to over the past two budget cycles? COUNCIL MEMBER HOUSTON'S OFFICE

ANSWER: See attachment.

Agenda Item # 27: Authorize negotiation and execution of an 84-month lease for approximately 59,494 square feet of office space for the Development Services Department and Austin Energy, at 5202 East Ben White Boulevard, in Austin, Travis County, Texas, from 5204 BEN WHITE 2017, LP, A TEXAS LIMITED PARTNERSHIP, in an amount not to exceed \$10,936,187.34 (District 3).

QUESTION: 1) Why a seven year lease when the new DSD building is expected to be open in three years? 2) If City Council does not approve the new 51 DSD positions is the extra office space needed? COUNCIL MEMBER FLANNIGAN'S OFFICE

ANSWER: 1) When DSD moves to the new facility we will back fill this space with the departments in higher rent lease space as their lease expires. Additionally, several City of Austin facilities need major renovations, such as One Texas Center, Municipal Building and the RBJ Building. We plan to use this lease space to temporarily house the various departments who occupy these buildings during the renovations. 2) Yes.

QUESTION: How many positions are moving to the new location from the Development Services Department? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: 93 people.

Agenda Item # 28: Authorize negotiation and execution of a 60-month lease renewal for approximately 27,520 square feet of warehouse space for the Austin Police Department for the Blue Santa Program and the Community Liaison Unit, located at 4101 South Industrial Drive, Suite 260, Austin, Travis County, Texas,

from ICON OWNER POOL 6 AUSTIN, LLC, in an amount not to exceed \$1,455,257.60 (District 2).

QUESTION: The back-up indicates that the lease rate is within the market rate per a rent study conducted by a third-party appraiser. Please provide additional information about what the rent study indicated the market rates were. What was the high end of the market rate, and what was the low end? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: The market rent range from high to low is \$7.20 to \$6.96/sf NNN (triple net lease (i.e., one that is net of all three of the major expense categories)).

QUESTION: We have been leasing this space since at least 2006. Please explain why we are still renting this space and have not made a purchase to own appropriate space for these activities. COUNCIL MEMBER ALTER'S OFFICE

ANSWER: Funding has not been identified to acquire property for this specific purpose. The Strategic Facility Governance Team will consider the consolidation of the overall City warehouse needs in future facility analysis.

Agenda Item # 30: Authorize the execution of an interlocal agreement with the University of Texas at Austin to provide special event services on an as-needed basis.

QUESTION: How will the new mobility services officers (that are tasked with duties such as but not limited to staffing barricades) approved during the 2018 Council budget deliberations be part of this interlocal agreement? To what extent will the officers engaged be working overtime and how does the agreement account for associated overtime costs? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: The Interlocal agreement is between Austin Police Department and the University of Texas. The mobility service officers are not used for traffic control around the University of Texas. The assignments require the ability to actually direct traffic, not to merely monitor barricades. The officers will be paid overtime based on the fee schedule in the approved budget and referenced in the agreement. The University of Texas will reimburse APD for all costs associated with the activities.

Agenda Item # 32: Authorize negotiation and execution of a contract with Pike Electric, LLC, or the other qualified offeror to Request For Proposals DNJ0003REBID, to provide electric relay devices and related services, for an initial term of two years with three one-year extension options, for a total contract amount not to exceed \$4,160,000.

QUESTION: How long has Pike Electric, LLC had this contract? COUNCIL

MEMBER HOUSTON'S OFFICE

ANSWER: Pike Electric, LLC is one of two contractors the City maintains to purchase this equipment and services. Both contracts have been in place since September 2012.

QUESTION: Is the remaining amount not covered from 2016-2017 funds in the approved base budget for 2017-2018? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: CIP funding approved in prior budgets will carry over and may be used in this contract. All required operating funds will come from the Fiscal Year 2018 budget (10/1/2017 – 9/30/2018).

Agenda Item # 34: Authorize negotiation and execution of a contract with Bentley Systems, Inc., to provide an enterprise license for engineering and design software and support, for a term of three years, in an amount not to exceed \$654,134.

QUESTION: Please provide detail on the increased usage/requirements mentioned in the RCA. COUNCIL MEMBER ALTER'S OFFICE

ANSWER: The City's use of Bentley applications and licenses has been increasing in the past several years, mainly due to the projected growth in licenses needed to support of planned projects such as capital improvement and right-of way projects. This includes an increase in the usage of some licenses/applications, such as Watershed Protection's increased usage of the StormCAD application, as well as an increase in the number of departments requesting use of the licenses. For example, the Austin Transportation Department, who has not used these licenses in the past, is requesting 9 additional licenses for planned projects in support of active transportation effort. The increase also addresses instances where several users were sharing licenses or using licenses for products initially intended as demonstrations, but were continued to be used after the initial testing period ended. As part of the Bentley Enterprise Licensing agreement true-up, the City must license these products to ensure availability of the required tools for engineers and other staff. Typical user licenses cost between \$6,000 - \$8,000 per user.

Agenda Item # 35: Authorize negotiation and execution of various cooperative contracts during Fiscal Year 2017-2018 through the State of Texas Department of Information Resources cooperative purchasing program for the purchase of computer, network and other technology hardware, software and related maintenance and technology services, for a total amount not to exceed \$65,733,000.

QUESTION: 1) What is the estimated spend for year end 2017? 2) What happens to the difference between what is spent and the total authorized amount if the full authorized amount is not spent? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: As of September 19th, the City has expended \$49,294,642.52. Based on the remaining purchase requests pending for this month, staff estimates a total spend of approximately \$50,000,000 by the end of the fiscal year.

When a contract expires, the authorization approved by Council also expires. As part of the budget, Council approves appropriation amounts (budgeted expenditures) related to these contract authorizations. If unspent appropriation under a contract authorization is available when the contract expires, departments are given the flexibility to reallocate funding to other priorities, in order to manage their respective operating budgets as appropriate to fulfill their overall mission. If a department chooses to not reallocate funding to other priorities, the remaining budget appropriation would fall to the ending balance of the respective fund to be used in subsequent fiscal years.

Agenda Item # 40: Authorize award and execution of a contract with Lone Star Products and Equipment LLC, to provide light bars, sirens, parts, and accessories for emergency vehicles for an initial term of three years with two one-year extension options, for a total contract amount not to exceed \$850,000.

QUESTION: What is driving the need for the 10% cost increase? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: The contract authorization requested includes an additional authorization of 10% over the previous year's annual spend, which provides Wireless with the flexibility to adjust to new vehicle models that are added to the public safety fleet. In some cases, equipment can't be moved between different models. In those cases, we will need to purchase compatible equipment for the new model. Since this contract covers multiple years, this provides the flexibility if the public safety vehicles models change during the contract. This authorization is a not to exceed amount, not a guarantee of spend, and will only be spent if needed and available in the department's budget.

Agenda Item # 41: Authorize award and execution of a contract with Elastec, Inc., to provide two pontoon boats, motors, and trailers, in an amount not to exceed \$116,080.

QUESTION: Would one boat that fits specs for use in the various waterways seeking service in this RCA not be able to meet the need? Why are multiple boats needed? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: The City currently operates with a 19 foot pontoon boat in Ladybird Lake. This RCA would replace that boat, as well as purchase an additional 16 foot pontoon boat to service the Waterloo Park Inlet Pond, part of the Waller Creek Tunnel Project. The small size of the Inlet Pond makes it difficult to maneuver with a 19 foot pontoon boat, so staff is recommending the use of the 16 foot pontoon boat, which will provide adequate stability and

agility to safely maintain the Inlet Pond. Ladybird Lake is much larger in size; as a result, the 19 foot pontoon boat is more desirable for use on the Lake as it offers a much larger platform with greater stability, increasing the safety of operators performing services on the water.

Agenda Item # 44: Approve an ordinance amending City Code Chapter 2-7, Article 6 relating to anti-lobbying and procurement.

QUESTION: Can you clarify whether the proposed amendments to the ALO/ Procurement process strictly pertain to waste management or to the ALO/ Procurement process in its entirety? Based on the available back-up It seems the intention is meant for the ALO/ Procurement process in its entirety.
COUNCIL MEMBER HOUSTON'S OFFICE

ANSWER: That is correct. The proposed revisions to the ALO would apply to all solicitations.

QUESTION: 1) Regarding section 2-7-102(10)e, what other types of competitive solicitations processes are being referenced here? 2) Regarding section 2-7-102(8)b, should respondents include affiliates (such as subsidiaries, etc.) to respondents? If so, affiliates should be defined specifically somewhere. 3) Section 207-104(9) what is the origin of this? With this language is there not a loophole for bribery being opened? Please help understand this. COUNCIL MEMBER ALTER'S OFFICE

ANSWER: 1) A similar provision exists in the current Anti-Lobbying Ordinance (see 2-7-111). This provision comes up in two situations primarily.

a) When we conduct a formal solicitation (RFP, IFB...) but the offers come lower than expected (within the CM's authority). Since the ALO applies to solicitations that result in contracts that go to Council for authorization, so as not to have to re-do these solicitations to remove the ALO, I use 2-7-111 to apply the ALO these solicitations.

b) We also use 2-7-111 to apply the ALO to solicitations for revenue generating or concessions contracts, which according to the Charter are not explicitly required to be sent to Council. Because it has been staff's practice to also send these kinds of items to Council, we apply the ALO to these solicitations also to maintain consistency.

2) Appropriate circumstances where affiliates are in fact lobbying on behalf of the respondent, the current definition of Agent is flexible enough to capture those circumstances. We could add language to make to more explicitly address affiliates.

3) This provision is carried forward from the current ALO, see 2-7-104(H). I believe the intent of this provision was to ensure that the ALO would not be construed to limit political speech.

Agenda Item # 52: Approve a resolution directing the City Manager to explore funding options such as public improvement districts, tax increment financing, public-private partnerships, and increases in hotel occupancy taxes to fund

improvements to downtown Austin, to address homelessness in downtown Austin, to support the local music industry, and to fund park, civic, and historic facilities and districts including expansion of the Convention Center.

QUESTION: (1) Has a TPID been submitted to the City? If so, please provide as back up. If not, will such a proposal be submitted before Council considers the related resolution on 9/28/17?

(2) Were the staff's financial projections for the TPID based on a 40% or 20% concession?

(3) The resolution directs that 40% of the TPID taxes be used for "homeless support and housing." At the recent Council meeting, Scott Joslove of the Texas Hotel and Lodging Association indicated that 20% would be a direct concession to the City and the additional 20% would come "via a roundabout way with the Convention Center whereas we provide incentives for conventions, in other words, we buy-down the cost of the convention center, that's for new business that wasn't there before. That money would then be allocated up to the point where it reaches 20% that when it's 20% that we provide as a pure concession straight for the city as authorized by the pid law and another 20% match would be secured from the convention center receipt of tpid funds for convention buy-downs in order to bring the convention to Austin."

(4) Why would the agreement be structured in this way rather than a direct allocation of 40%?

(5) If incentives from the TPID to new business at the Convention Center do not total the full 20%, will the City still receive that full amount? If so, would that full amount come from the Convention Center budget, or will the TPID be required to make up the difference?

(6) Will the payments Mr. Joslove described as coming from the Convention Center be restricted in any way?

(7) What would be the source of the funding for the Convention Center's payments?

(8) Would the Convention Center be required to make the full 20% payments even if doing so represented a significant (additional) loss in revenue? How would the Convention Center cover that gap?

(9) For how long will the TPID be authorized?

(10) Which are the hotels that will vote on the TPID and where are they located?

(11) If the TPID has not yet been submitted, what is the process for securing approval from hoteliers for a TPID? What is the typical timeframe for review and approval from hoteliers, development of a service plan, and any other phases required of a TPID?

(12) What is the process for amending a TPID?

(13) For what purposes can a TPID concession to the City be used?

(14) Are there any restrictions that would prevent the TPID revenue from being used to fund case management services and housing for individuals experiencing homelessness?

(15) Would there be any restrictions that would keep future Councils from directing the TPID concession away from services related to homelessness?

(16) Please provide an annual breakdown of the “buy-downs” the Convention Center provided over the last 5 years. If Visit Austin also provided financial incentives, please indicate those as well.

MAYOR PRO TEM TOVO'S OFFICE

ANSWER: See attachment.

QUESTION: How would expanding the Convention Center and taking on more debt improve the Convention Center's current operating deficit?

Regarding the proposed Tourism Public Improvement District, what are the necessary steps to establish a new entity to collect and distribute the funds that would come from a new 2 cent tax? Additionally, what is the timeline for establishing such an entity, when would the first monies flow into the TPID, and what is the anticipated amount? How does Travis County fit into the equation?

What is the actual understanding about the percentages that would come to the City? Is it 20 percent or 40 percent? Why would the City receive such a small portion of the total? Of the proportion that would go to the Convention Center, would that amount go toward operations, bond payments, or reserves? Who receives the benefit from that portion of the tax? Who receives the majority of the 60 percent “waterfall,” and what is the City's role in administering or spending it?

With respect to the TPID governance and structure, who would be on the board and what entities would they represent? What role would they play in the day-to-day operations? Would the formation of the TPID require staff to manage the funds? What guarantees do we have to ensure transparency and accountability?

COUNCIL MEMBER POOL'S OFFICE

ANSWER: See attachment.

QUESTION:

TPID

1. Which hotels can serve on the governing body of the TPID?
2. What is the process for amending the service plan or other terms of the TPID? (The response offered earlier does not address whether and how the TPID can be amended.)

MACC

1. Please address which funding options could be used to expand the Emma S. Barrientos Mexican American Cultural Center once the master plan has been completed.

Specifically:

Could the City use bond funds for that expansion?

Could the City issue certificates of obligation for that expansion?

Would either of the above two options impose restrictions on the types or kinds of activities that take place at the MACC?

Please indicate how long it would take to secure funding through either of the above two funding methods (after master plan completion).

What other funding options could be considered?

2. Item # 52 identifies "Convention Center Expansion Funding" as one possible way to fund the MACC's expansion.

Would that funding come through

(a) establishing the MACC as a venue and using venue funding, or
(b) as part of the 15% of hotel/motel taxes allocated to the cultural arts as per Sec. 351.101(a)(4) or
(c) under Sec. 351.101(a)(1) of the hotel/motel tax statute that allows for hotel/motel taxes to be used for "construction, improvement, enlarging, . . . operation, and maintenance of convention center facilities . . . "?

3. If the MACC expansion was completed in part or in total with HOT funding under provision Sec. 351.101(a)(1) – ie. as construction of convention center facility -- would the Convention Center have priority in booking facilities constructed with that money? Could a time period be set for Convention Center reservations – say, one year in advance – and still meet the requirements under the state statute? How often would the Convention Center need to hold events at the MACC to meet the requirements?

4. Could current programming at the MACC meet the state criteria for funding through hotel/motel taxes, and if so, would that come from the 15% currently designated for cultural arts?

5. Since the MACC is within the Rainey Street Historical District, could it receive funding for expansion through the historic preservation portion of the hotel/motel tax?

6. Does the MACC sit on land designated as parkland?

If the MACC is on dedicated parkland, can a convention use take place there or, in accordance with state law, would that require a vote of the people to approve a change of use?

Palm School

1. Could the City buy the Palm School right now (were it to become available for sale) using the following existing funding sources:

Hotel/motel taxes allocated to the historic preservation fund in the FY18 budget process?

Hotel/motel taxes currently in Convention Center reserves (if the Palm School would serve, at least in part, as a convention center facility or visitor information center)?

Convention Center Expansion Funding

1. Under state law, the City is allowed to raise the hotel occupancy tax by 2% to expand a Convention Center.

Please describe how and why raising the hotel occupancy tax by 2% would allow the City to generate money not just for the expansion costs but also for historic preservation and cultural arts.

2. Item 52 discusses generating a funding stream for music. Please verify that this funding would come from within the 15% for the cultural arts as allowable under Sec. 351.101(a)(4) of the state statute.

3. In the Council work session on August 29, staff indicated that Austin could also raise its hotel occupancy tax by 2% for a substantial renovation of the Convention Center – and thus renovating the Convention Center would also generate the additional money for historic preservation and the cultural arts. Please verify that the statute allows a municipality to increase the HOT for a substantial renovation. Have staff analyzed this option? If not, why not?

Waller Creek TIF Temporal Expansion

Can the project plan be amended after approval? If so, what is the process for amending it?

Expanded or New Downtown TIF (Waller Creek geographic expansion)

As originally conceived, this measure would expand the geographic boundaries of the Waller Creek TIF and generate \$30 million that could be used to meet the needs of those experiencing homelessness. However, in the work session on August 29, staff indicated that because the City would issue debt through this TIF, the \$30 million could be used for emergency shelter and other capital needs related to homelessness, but not to build housing, as permanent housing is considered economic development and thus cannot be funded with non-voter-approved debt. Have staff yet analyzed whether transitional housing would be a permitted capital expenditure using TIF funds?

Have staff worked with ECHO and social service providers to identify capital needs other than emergency shelter that would support the “Action Plan to End Homelessness in Austin/Travis County” and be allowable under state law?

Have staff estimated the amount of money that could become available through the TIF for non-capital needs, such as case management services?

Dedicated Funding Stream for Homelessness

As directed by Council on August 31, 2017, via Resolution 20170831-103, Council directed the City Manager to analyze and identify alternative funding sources for creating housing and supporting services for those experiencing homelessness and to report back by September 19, 2017. Have staff completed any of this work yet?

Convention Center Expansion

Have staff analyzed the logistical and financial feasibility of expanding the Convention Center through a public/private partnership or constructing residential and office towers above the expanded convention space?

MAYOR PRO TEM TOVO'S OFFICE

Answer: Pending

Agenda Item # 57: Approve a resolution directing the City Manager to develop a comprehensive city-wide needs and gap assessment of high quality child care facilities and the feasibility of adding a child care facility to the Austin Community College Highland Campus.

QUESTION: What is the fiscal impact of this resolution as written? Will this assessment provide a map of childcare facilities across districts? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: Staff is unable to provide a cost estimate at this time; however during the course of researching this resolution staff will determine cost. Staff can include a map of childcare facilities in each council district in the report back to Council.

Agenda Item # 99: Conduct a public hearing and consider an ordinance amending City Code Section 25-2-355 relating to voting requirements applicable to zoning recommendations by the Historic Landmark Commission.

QUESTION: Which, if any, of our peer cities have a super-majority requirement for their equivalent of a Historic Landmark Commission when voting to zone a property historic with the objection of the property owner? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: None of our peer cities (Denver, Seattle, Dallas, San Francisco, and Portland) have a supermajority requirement, only a majority. In Portland, however, the owner must consent. Fort Worth and San Antonio also do not

require a supermajority, only a majority.

Agenda Item # 102: Authorize negotiation and execution of a 60-month lease for approximately 6,959 square feet of office and warehouse space for the Office of Innovation and for Communication and Technology Management, located at 93 Red River Street, from 93 RED RIVER INVESTORS, LTD., in an amount not to exceed \$1,222,109.07 (District 9).

QUESTION: 1) What are the additional costs for moving the Innovation Office to the Rainey Street neighborhood (e.g., is the building outfit as an office or is it a warehouse that requires interior work?). 2) How does this move fit into the larger assessment of office space needs, especially at City Hall? COUNCIL MEMBER POOL'S OFFICE

ANSWER: This item is being withdrawn.

AHFC Agenda Item # 7: Authorize the negotiation and execution of a one-year contract with the AUSTIN AREA URBAN LEAGUE to fund and administer the Emergency Home Repair Program in an amount not to exceed \$1,000,000 with one 12 month extension option in an amount not to exceed \$1,000,000 for a total contract amount not to exceed \$2,000,000.

QUESTION: Why does the Urban League receive so much funding for emergency home repairs? What is the difference in this award and the awards in # 10? COUNCIL MEMBER HOUSTON'S OFFICE


ANSWER: See attachment.


AHFC Agenda Item # 10: Authorize negotiation and execution of 12-month contracts with each of the following seven non-profit agencies: AMERICAN YOUTHWORKS, AUSTIN AREA URBAN LEAGUE, INC., AUSTIN HABITAT FOR HUMANITY, INC., EASTER SEALS-CENTRAL TEXAS, INC., INTERFAITH ACTION OF CENTRAL TEXAS, MEALS ON WHEELS AND MORE, INC., and REBUILDING AUSTIN TOGETHER for repair of homes eligible through the G.O. Repair! program for a combined total amount not to exceed \$2,500,000.

QUESTION: What funding did the seven non-profits receive in the last two budget cycles? What are the metrics and how did each non-profit score? What else is taken into consideration? What is the difference in what is required in this item and # 7? COUNCIL MEMBER HOUSTON'S OFFICE

ANSWER: See attachment.

END OF REPORT - ATTACHMENTS TO FOLLOW

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

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



Council Question and Answer

Related To	Item #15	Meeting Date	September 28, 2017
Additional Answer Information			

QUESTION/ANSWER:

1) We still don't have sufficient information about reserves for Visit Austin. Please provide a copy of ACVB's complete consolidated financial statement. 2) What revisions has Visit Austin made to its marketing plan and proposed budget to reflect changes made during Council's budget sessions on Sep 11, 12, and 13? 3) ACVB's documents indicate that selling the convention center is part of its marketing plan (pg 13); its mission also includes marketing local, Austin-centric business and activities. Please provide a specific breakdown (proportionally and actual dollars) of Visit Austin's marketing budget showing how much goes to market the convention center, the expansion of the convention center, and how much goes to market local business, film, music and sports. 4) In addition to \$6.7 million for marketing, ACVB's budget document proposes \$6.3 million for Convention sales and services and \$2.2 million for "finance/administrative/IT." Please provide a breakdown of these funds, as well. 5) ACVB's budget shows \$1.6 million for the visitor center, which I understand is located in the parking garage across Red River from the Convention Center. Please provide a copy of the documents – contracts, agreements, etc. – to demonstrate how you arrived at that amount, on what basis/comparables the rent was decided, and rationale for why ACVB would pay the Convention Center for this space since the revenues of both entities come from the same source. 6) ACVB shows a drop in projected partnership revenues, services billed, and donated services. I understand that this is due to not repeating the "convention commitment" from earlier this year. Does Visit Austin have a plan to shore up partnership revenues, etc., going forward? if so, what does the plan look like, and if not, when can we expect one? COUNCIL MEMBER POOL'S OFFICE

1) We still don't have sufficient information about reserves for Visit Austin. Please provide a copy of ACVB's complete consolidated financial statement.

Our reserves are currently at \$2.67 million, which is currently under the industry standard of 90 days of operating reserves by about \$1.7 million. We look forward to being able to rebuild our reserves over the next few years. Attached please find our 3rd quarter financial statements.

2) What revisions has Visit Austin made to its marketing plan and proposed budget to reflect changes made during Council's budget sessions on Sep 11, 12, and 13?

These documents have been submitted to the City and will be attached as late backup to the agenda item.

3) ACVB's documents indicate that selling the convention center is part of its marketing plan (pg 13); its mission also includes marketing local, Austin-centric business and activities. Please provide a specific breakdown (proportionally and actual dollars) of Visit Austin's marketing budget showing how much goes to market the convention center, the expansion of the convention center, and how much goes to market

local business, film, music and sports.

Visit Austin does not track our advertising spend in these categories, so we are unable to provide this exact break out. Visit Austin deploys a fully integrated marketing strategy including paid, owned and earned channels.

- Paid efforts include advertising media targeted to reach potential visitors and meeting/convention planners in select Drive and Fly markets
- Owned channels include visitaustin.org, the Visit Austin blog, email programs, social media channels, and printed collateral
- Earned media comes as a result of our public relations efforts securing positive press domestically and internationally

All of these channels work together to market a diverse range of destination attributes: music, outdoor/greenspaces, heritage, arts, cultural diversity, food, meetings/event venues, iconic Austin attractions, etc. Our marketing and advertising budgets are planned based on target audiences and the most appropriate mediums and advertising platforms to reach them. This makes it difficult to answer the question as asked, but we can provide an estimated breakdown of our paid advertising efforts by audience:

Audience	Key Messages	Approximate Percentage of Advertising Budget*
Leisure Travelers	Music, Outdoors/Greenspace, Arts, Food & Drink, Attractions More than 90% of business featured are local.	64%
Meetings Industry	Overall destination appeal for meeting planners and attendees, Meeting venues, Technology, Austin's intellectual capital, local culture, hiring local musicians for meetings and conventions NOTE: Advertising is an awareness strategy for meetings and convention groups, while direct selling is what closes the business.	12%
Diversity & Heritage	Cultural diversity, LGBTQ, Cultural arts, Heritage sites, Heritage grant promotion, Diversity meetings groups	23%
Niche Industry Audiences	Film community, Sports event planners	1%

*Budget based on the advertising budget. Excludes outside departmental budgets like Convention Sales, Film Commission and Sports Commission.

At least 90% of the businesses featured in Visit Austin marketing are local. Exceptions would be brands like hotel and restaurant chains that pay Visit Austin to advertise in our owned channels like visitaustin.org, and our leisure and meeting planning guides.

Visit Austin markets the Austin destination to potential meeting groups highlighting traditional meeting venues like the Austin Convention Center and hotel meeting spaces as well as local "offsite" locations like local restaurants, museums, attractions, technology centers and music venues. Marketing efforts around the expansion of the Austin Convention Center will begin upon approval of the project.

4) In addition to \$6.7 million for marketing, ACVB's budget document proposes \$6.3 million for Convention sales and services and \$2.2 million for "finance/administrative/IT." Please provide a breakdown of these funds, as well.

Attached please find a line item budget by department.

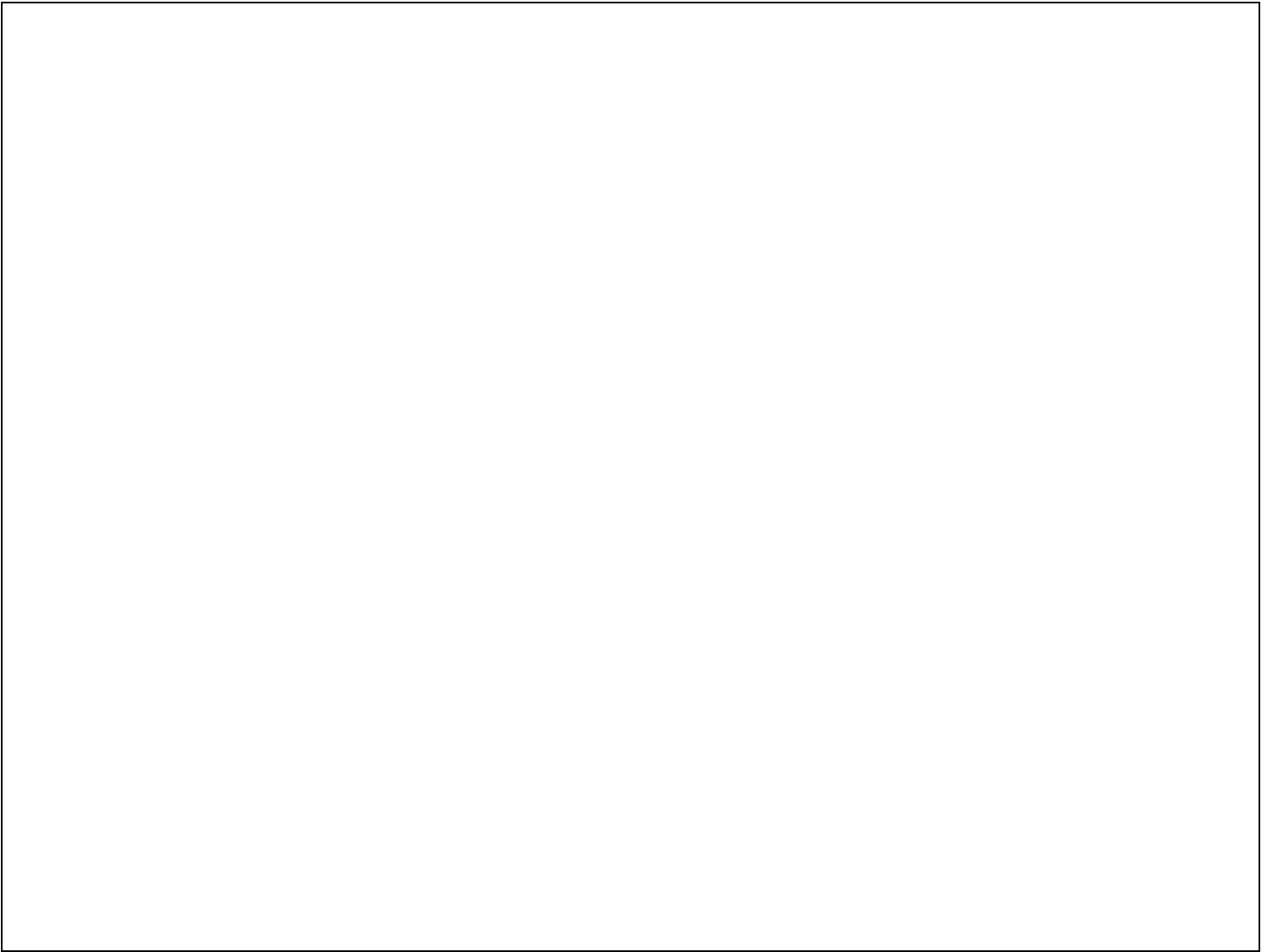
- 5) ACVB's budget shows \$1.6 million for the visitor center, which I understand is located in the parking garage across Red River from the Convention Center. Please provide a copy of the documents – contracts, agreements, etc. – to demonstrate how you arrived at that amount, on what basis/comparables the rent was decided, and rationale for why ACVB would pay the Convention Center for this space since the revenues of both entities come from the same source.**

This agreement was aided by the City Real Estate Services office and they determined the appropriate rental amount. Lauraine Rizer, who was the Officer of Real Estate Services at the time, drove this agreement and can answer any questions about how the City handled leasing property to entities outside of the City. We are proud to have been the first tenant in this space and helped to pave the way for other retail businesses to locate in this space.

Council approved the negotiation and execution of the lease at its June 27, 2017, meeting. The link to the RCA can be found at <http://www.austintexas.gov/edims/document.cfm?id=191876>

- 6) ACVB shows a drop in projected partnership revenues, services billed, and donated services. I understand that this is due to not repeating the "convention commitment" from earlier this year. Does Visit Austin have a plan to shore up partnership revenues, etc., going forward? if so, what does the plan look like, and if not, when can we expect one?**

Our partnership program is solid and our plan is to continue the good work that we have always done. As an independent, nonprofit entity, the plan for our private revenues is driven by board approval of our budget and is governed under the policy that our board sets forth for the organization.



Austin Convention and Visitors Bureau
dba Visit Austin
Statement of Activities
Year-to-date through June 30, 2017

JUNE 2017 YTD - ACTUALS		
	\$	%
REVENUES, GAINS & OTHER SUPPORT:		
City Contract	10,338,100	75.9%
Merchandise Sales	911,801	6.7%
Services	323,377	2.4%
Donated Services	1,218,171	8.9%
Rack Rental	9,149	0.1%
Sponsorships & Coops	794,147	5.8%
Expired Grants	-	0.0%
Other Income	19,478	0.1%
Interest & Dividends	3,046	0.0%
TOTAL REVENUE, GAINS & OTHER SUPPORT	13,617,269	100.0%
PROGRAM EXPENSES:		
Merchandise Sales Costs	683,229	4.9%
Collateral	23,270	0.2%
Contracted Services	458,091	3.3%
Fulfillment Cost	11,100	0.1%
Housing Costs	61,543	0.4%
Heritage Grants	262,630	1.9%
Media Placement	1,031,208	7.4%
Production Costs	880,047	6.3%
Project Costs		
Trade Shows	215,610	1.5%
FAMS & Site Visits	117,550	0.8%
Client Development	2,116,448	15.2%
Local Meetings/Transportation	220,270	1.6%
Special Projects	394,791	2.8%
Education Seminars	32,121	0.2%
Rent, Utilities, Etc.	755,565	5.4%
Information Technology	155,836	1.1%
Delivery	16,460	0.1%
Depreciation & Amortization	177,884	1.3%
Dues & Subscriptions	105,977	0.8%
Professional Fees	138,639	1.0%
Insurance	37,597	0.3%
Office Expense	65,147	0.5%
Postage	39,120	0.3%
Printing	-	0.0%
Research	153,030	1.1%
Taxes	1,005	0.0%
Telephone	49,457	0.4%
Wages & Salaries	3,562,907	25.6%
Employee Benefits	953,742	6.8%
Donated Services	1,218,171	8.7%
Miscellaneous	1,091	0.0%
TOTAL PROGRAM EXPENSES	13,939,536	100.0%
CHANGE IN NET ASSETS	\$ (322,267)	

AUSTIN CONVENTION AND VISITORS BUREAU
dba VISIT AUSTIN
PROPOSED FY 2017/2018 BUDGET

	Sales	Services	Tourism	ASC	Communications	Heritage	Strategic Partnership	Advertising	Film	Music	VC	Operations	Reductions Across Departments	Spring Festival Security	Total
City Contract	4,357,540	845,874	581,386	336,041	1,102,923	250,000	119,297	2,986,251	189,368	350,522	466,040	2,250,458	(240,000)	1,200,000	14,795,700
Retail Revenue	-	-	-	-	-	-	-	-	-	-	1,110,000	-	-	-	1,110,000
Publication Sales	-	-	-	-	-	-	-	20,000	-	-	-	-	-	-	20,000
Rack Rental Revenue	-	-	-	-	-	-	-	-	-	-	15,000	-	-	-	15,000
Partnership Revenue	-	-	-	-	-	-	549,500	-	-	-	-	-	-	-	549,500
ASC Revenue	-	-	-	68,000	-	-	-	-	-	-	-	-	-	-	68,000
Services Revenue	-	80,000	-	-	-	-	-	-	-	-	-	-	-	-	80,000
Donated Services	-	-	-	-	-	-	315,000	-	-	-	-	-	-	-	315,000
Interest	-	-	-	-	-	-	-	-	-	-	-	4,200	-	-	4,200
Draw on Reserve Fund	-	112,350	-	-	-	-	-	-	-	-	-	-	-	-	112,350
Total Private Revenue	-	192,350	-	68,000	-	-	864,500	20,000	-	-	1,125,000	4,200	-	-	2,274,050
Client Development	336,000	70,150	28,500	34,896	10,000	-	37,000	-	-	-	-	19,557	-	-	536,103
FAMS/Site Visits	115,000	-	19,000	-	22,002	-	6,250	-	-	-	-	-	-	-	162,252
Convention Commitments	200,000	112,850	-	-	-	-	-	-	-	-	-	-	-	-	312,850
Local Meetings	10,600	7,525	8,000	3,000	2,608	-	3,600	-	-	-	-	-	-	-	35,333
Promotional Items	120,000	-	-	-	-	-	-	-	-	-	-	-	-	-	120,000
Special Promotions	-	10,000	6,300	15,000	-	-	143,500	-	-	-	-	-	-	-	174,800
Industry Relations	146,690	3,409	55,685	31,551	845	-	161,090	-	-	-	-	-	-	-	399,270
Trade Shows	388,000	4,950	74,000	12,000	-	-	20,000	-	-	-	-	-	-	-	498,950
Professional Development	29,000	9,500	3,000	-	30,300	-	-	-	-	-	-	13,500	-	-	85,300
Information Technology	56,051	1,512	-	-	7,126	-	-	-	1,400	-	81,458	156,131	-	-	303,678
Fulfillment	-	-	-	-	143,916	-	-	-	-	-	-	-	-	-	143,916
Collateral	-	4,600	-	-	500	-	-	-	-	-	-	-	-	-	5,100
Media Production and Placement	-	23,140	-	-	-	-	-	3,979,751	-	-	-	-	-	-	4,002,891
Research	126,961	-	-	-	51,288	-	-	-	-	-	-	-	-	-	178,249
Professional and Contracted Services	-	-	40,000	-	171,500	-	30,000	-	-	-	-	147,938	-	-	389,438
Music/Film Programs	-	-	-	-	-	-	-	-	65,605	269,245	-	-	-	-	334,850
Heritage Grant Program	-	-	-	-	-	250,000	-	-	-	-	-	-	-	-	250,000
Retail Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	835,061	-	-	-	835,061
Visitor Services	-	-	-	-	-	-	-	-	-	-	71,919	-	-	-	71,919
Employee Relations	-	-	-	-	-	-	-	-	-	-	-	46,500	-	-	46,500
Donated Services	-	-	-	-	-	-	315,000	-	-	-	-	-	-	-	315,000
Spring Festival Security - One Time	-	-	-	-	-	-	-	-	-	-	-	-	-	1,200,000	1,200,000
Budget Reductions	-	-	-	-	(151,500)	-	(40,000)	(973,500)	(3,000)	(10,000)	(72,000)	(10,000)	-	-	(1,260,000)
Total Program Expenses	1,528,302	247,636	234,485	96,447	288,585	250,000	676,440	3,006,251	64,005	259,245	916,438	373,626	-	1,200,000	9,141,460
Overhead and Office Expenses	106,880	24,409	10,332	8,620	22,528	-	10,488	-	3,600	3,792	18,916	109,887	-	-	319,452
Depreciation	-	-	-	-	-	-	-	-	-	-	-	240,000	-	-	240,000
Rent	396,053	75,120	44,208	39,164	90,346	-	55,124	-	18,984	12,920	212,676	213,535	-	-	1,158,130
Personnel Costs	2,326,305	691,059	292,361	259,810	701,464	-	241,745	-	102,779	74,565	443,010	1,317,610	-	-	6,450,708
Reductions - Across All Departments	-	-	-	-	-	-	-	-	-	-	-	-	(240,000)	-	(240,000)
	4,357,540	1,038,224	581,386	404,041	1,102,923	250,000	983,797	3,006,251	189,368	350,522	1,591,040	2,254,658	(240,000)	1,200,000	17,069,750
Total by Functional Area				6,381,191				5,342,971		539,890	1,591,040	2,254,658	(240,000)	1,200,000	17,069,750

FY 2018 Proposed Funding Matrix

Organizational Support			Project Support I							Project Support II				PS III		Non Arts	
Score	\$1 mil +	Under \$1 mil	Score	\$250,000 +	\$200,000 - \$249,999	\$150,000 - \$199,999	\$100,000 - \$149,999	\$50,000 - \$99,999	Under \$50,000	Score	Over \$50,000	Under \$50,000	New Applicants	Current Applicant	New Applicant	Over \$50,000	Under \$50,000
100			100	\$112,500						100	\$30,000	\$25,000					
99	\$212,500		99	\$109,900	\$102,500		\$82,500			99	\$29,550	\$24,600				\$30,000	
98	\$209,600		98	\$107,300	\$100,500	\$92,500	\$81,100			98	\$29,100	\$24,200		\$20,000		\$29,600	
97	\$206,700		97	\$104,700	\$98,500	\$91,000	\$79,700	\$75,000	\$30,000	97	\$28,650	\$23,800	\$10,000	\$19,675	\$10,000	\$29,200	
96	\$203,800	\$187,500	96	\$102,100	\$96,500	\$89,500	\$78,300	\$74,000	\$29,050	96	\$28,200	\$23,400	\$9,700	\$19,350	\$9,700	\$28,800	
95	\$200,900	\$184,700	95	\$99,500	\$94,500	\$88,000	\$76,900	\$73,000	\$28,100	95	\$27,750	\$23,000	\$9,400	\$19,025	\$9,400	\$28,400	
94	\$198,000	\$181,900	94	\$96,900	\$92,500	\$86,500	\$75,500	\$72,000	\$27,150	94	\$27,300	\$22,600	\$9,100	\$18,700	\$9,100	\$28,000	\$25,000
93	\$195,100	\$179,100	93	\$94,300	\$90,500	\$85,000	\$74,100	\$71,000	\$26,200	93	\$26,850	\$22,200	\$8,800	\$18,375	\$8,800	\$27,600	\$24,600
92	\$192,200	\$176,300	92	\$91,700	\$88,500	\$83,500	\$72,700	\$70,000	\$25,250	92	\$26,400	\$21,800	\$8,500	\$18,050	\$8,500	\$27,200	\$24,200
91	\$189,300	\$173,500	91	\$89,100	\$86,500	\$82,000	\$71,300	\$69,000	\$24,300	91	\$25,950	\$21,400	\$8,200	\$17,725	\$8,200	\$26,800	\$23,800
90	\$186,400	\$170,700	90	\$86,500	\$84,500	\$80,500	\$69,900	\$68,000	\$23,350	90	\$25,500	\$21,000	\$7,900	\$17,400	\$7,900	\$26,400	\$23,400
89	\$183,500	\$167,900	89	\$83,900	\$82,500	\$79,000	\$68,500	\$67,000	\$22,400	89	\$25,050	\$20,600	\$7,600	\$17,075	\$7,600	\$26,000	\$23,000
88	\$180,600	\$165,100	88	\$81,300	\$80,500	\$77,500	\$67,100	\$66,000	\$21,450	88	\$24,600	\$20,200	\$7,300	\$16,750	\$7,300	\$25,600	\$22,600
87	\$177,700	\$162,300	87	\$78,700	\$78,500	\$76,000	\$65,700	\$65,000	\$20,500	87	\$24,150	\$19,800	\$7,000	\$16,425	\$7,000	\$25,200	\$22,200
86	\$174,800	\$159,500	86	\$76,100	\$76,500	\$74,500	\$64,300	\$64,000	\$19,550	86	\$23,700	\$19,400	\$6,700	\$16,100	\$6,700	\$24,800	\$21,800
85	\$171,900	\$156,700	85	\$73,500	\$74,500	\$73,000	\$62,900	\$63,000	\$18,600	85	\$23,250	\$19,000	\$6,400	\$15,775	\$6,400	\$24,400	\$21,400
84	\$169,000	\$153,900	84	\$70,900	\$72,500	\$71,500	\$61,500	\$62,000	\$17,650	84	\$22,800	\$18,600	\$6,100	\$15,450	\$6,100	\$24,000	\$21,000
83	\$166,100	\$151,100	83	\$68,300	\$70,500	\$70,000	\$60,100	\$61,000	\$16,700	83	\$22,350	\$18,200	\$5,800	\$15,125	\$5,800	\$23,600	\$20,600
82	\$163,200	\$148,300	82	\$65,700	\$68,500	\$68,500	\$58,700	\$60,000	\$15,750	82	\$21,900	\$17,800	\$5,500	\$14,800	\$5,500	\$23,200	\$20,200
81	\$160,300	\$145,500	81	\$63,100	\$66,500	\$67,000	\$57,300	\$59,000	\$14,800	81	\$21,450	\$17,400	\$5,200	\$14,475	\$5,200	\$22,800	\$19,800
80	\$157,400	\$142,700	80	\$60,500	\$64,500	\$65,500	\$55,900	\$58,000	\$13,850	80	\$21,000	\$17,000	\$4,900	\$14,150	\$4,900	\$22,400	\$19,400
79	\$154,500	\$139,900	79	\$57,900	\$62,500	\$64,000	\$54,500	\$57,000	\$12,900	79	\$20,550	\$16,600	\$4,600	\$13,825	\$4,600	\$22,000	\$19,000
78	\$151,600	\$137,100	78	\$55,300	\$60,500	\$62,500	\$53,100	\$56,000	\$11,950	78	\$20,100	\$16,200	\$4,300	\$13,500	\$4,300	\$21,600	\$18,600
77	\$148,700	\$134,300	77	\$52,700	\$58,500	\$61,000	\$51,700	\$55,000	\$11,000	77	\$19,650	\$15,800	\$4,000	\$13,175	\$4,000	\$21,200	\$18,200
76	\$145,800	\$131,500	76	\$50,100	\$56,500	\$59,500	\$50,300	\$54,000	\$10,050	76	\$19,200	\$15,400	\$3,700	\$12,850	\$3,700	\$20,800	\$17,800
75	\$142,900	\$128,700	75	\$47,500	\$54,500	\$58,000	\$48,900	\$53,000	\$9,100	75	\$18,750	\$15,000	\$3,400	\$12,525	\$3,400	\$20,400	\$17,400
Lesser of	\$212,500	\$187,500	Lesser of	\$112,500	\$102,500	\$92,500	\$82,500	\$75,000	\$30,000	Lesser of	\$30,000	\$25,000	\$10,000	\$20,000	\$10,000	\$30,000	\$25,000
or	20%	25%	or	30%	30%	30%	35%	35%	35%	or	40%	40%	50%	65%	50%	40%	40%
\$/point	\$2,900	\$2,800		\$2,600	\$2,000	\$1,500	\$1,400	\$1,000	\$950		\$450	\$400	\$300	\$325	\$300	\$400	\$400
AALANA Modifier		1.100	Minimum Award		\$4,000	CSMS Modifier		1.000									

OPERATING AGREEMENT

This Agreement is by and between the City of Austin, a home rule city, municipal corporation and political subdivision of the State of Texas (hereinafter referred to as the "City") and Zachary Scott Theatre Center, Inc., a Texas non-profit corporation (hereinafter referred to as "ZSTC").

R E C I T A L S:

WHEREAS, the City is the owner of the performing arts facilities located at 1421 West Riverside Drive, Austin, Texas 78704 (hereinafter referred to as the "Theatre"); and

WHEREAS, the City and ZSTC have entered into a General Agreement Between the City of Austin and Zachary Scott Theatre Center, Inc., dated Nov. 17th, 1987, pursuant to which the City and ZSTC have agreed to enter into an Operating Agreement whereby ZSTC shall be the operator of the Theatre and provide services at the Theatre; and

WHEREAS, City and ZSTC desire to enter into such Operating Agreement setting forth the respective rights and obligations of the City and ZSTC with respect to ZSTC's operations, all on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, the City and ZSTC agree as follows:

1. Appointment of Operator. The City hereby grants to ZSTC, subject to the terms and conditions hereinafter set forth, the exclusive right to operate the Theatre. During the term of this agreement the Theatre shall be leased to ZSTC for \$1.00 per year, during which time ZSTC shall have the exclusive right of possession of the Theatre and the property on which it is located. The parties agree that the operation of the Theatre shall not affect ZSTC's right to provide programs and services at other locations, all as ZSTC may determine from time to time. The right to operate the Theatre shall include the authority over the administration, operation and management of the Theatre and the programs and services provided at other sites, and all decisions in connection therewith, including but not limited to such matters as policy and procedure, programming, personnel, budget and fiscal matters, except to the extent expressly limited by the terms of this Agreement. Provided, however, ZSTC agrees to receive, review

and give consideration to suggestions and recommendations from the City on such matters.

2. Term. The term of this Agreement shall be a period of ninety-nine (99) years from and after the date of this Agreement; provided, however, that after the first five (5) years of such term, ZSTC shall have the right to terminate this Operating Agreement by giving written notice of its intent to terminate to the City at least twelve (12) months prior to the effective date of such termination.

3. Operating and Maintenance Costs. All operating and maintenance costs for the Theatre, including without limitation normal repair and maintenance of the premises, janitorial services, landscaping, utility costs, security, furnishings, advertising and promotional expenses, public information costs, salaries, insurance, ZSTC's overhead and administrative expenses, development expenses, and program costs (hereinafter collectively "the Theatre Costs"), shall be paid by ZSTC, subject to the City's obligations to ZSTC as provided in paragraph 4, below.

4. City's Funding Obligation. Pursuant to the City's current Cultural Arts Major Facilities Policy, the City agrees to provide the following services for the Theatre. The following described services may be expanded or reduced to reflect any amendments made by City Council to the Cultural Arts Major Facilities Policy.

- (a) Repair and maintenance of the Theatre and the site where it is located;
- (b) Minor modifications to the Theatre;
- (c) Janitorial services at the Theatre;
- (d) Insurance for the Theatre (and all improvements, furniture, fixtures and equipment), including fire and extended coverage and other casualty insurance (including theft) and liability insurance; and
- (e) All uninsured losses from fire and casualty losses (including theft).

In the event the City fails to provide the above-described services in a timely manner, ZSTC shall notify the City, in writing, of the required services and the time period within which these services are needed. If the City fails to respond to ZSTC within thirty (30) days following its receipt of said notice, ZSTC

may secure said services from another source and submit to the City a report outlining the services provided and costs incurred. The City shall pay its share of such costs within thirty (30) days after receipt of such written report.

In addition to the above reimbursement, ZSTC shall be entitled to receive from the City an amount equal to not less than 5.29% of the Cultural Arts Portion of the City's Hotel Occupancy Tax beginning in the fiscal year of 1988/89 and continuing during the term of this Agreement, to support ZSTC's operation of the Theatre, which amount shall be paid to ZSTC in monthly installments. As used herein, the "Cultural Arts Portion of the City's Hotel Occupancy Tax" shall mean that portion of such tax collected by the City equal to 1% of the consideration paid by the occupant of the sleeping room to the hotel as established by state law. The percentage of said tax revenue to be allocated to ZSTC shall be subject to review after five (5) years and may be adjusted based on available revenue and/or changes in ZSTC's operating budget.

The City and ZSTC agree to use due diligence to locate additional sources of supplemental funding for Theatre's operations, including but not limited to (i) a voluntary, downtown district with specific commitments to the support of ZSTC; (ii) creation of a special art district with taxing authority through the passage of special enabling legislation; (iii) additional non-general fund tax revenues of the City; and (iv) contracts with the City for the delivery of cultural arts programs as may be agreed to from time to time.

The City, at its option, may contribute funds specifically dedicated to acquisitions, capital construction and/or special projects, in addition to its foregoing funding obligations.

5. Theatre Programming. In consideration of the City's provision of payments and services under this agreement, ZSTC shall provide theatrical performances at the Theatre to the public throughout the year. Prior to each fiscal year ZSTC will submit to the City a detailed description of the programs planned for that fiscal year. ZSTC shall have the sole authority to determine the programs that will be presented to the public at the Theatre. No person, entity or organization shall have the authority to program the Theatre, or any other location at which ZSTC may provide programs, or have the right to approve or disapprove programs presented by ZSTC at any location. ZSTC may, at its

option, permit other arts organizations to prepare and present programs if done in consultation with ZSTC and ZSTC approves such programs prior to presentation to the public.

6. Use of Theatre. ZSTC will provide access for non-profit theatre and dance organizations and other members of the public to the Theatre on a space available basis as determined by ZSTC on a first-come, first-serve basis. ZSTC shall adopt procedures to ensure that non-profit theatre and dance organizations have reasonable access to such facilities. Notwithstanding the foregoing, ZSTC may adopt procedures to ensure that events sponsored by ZSTC will be given first priority in scheduling the use of the Theatre. No organization other than ZSTC shall have the right to conduct fund raising events at the Theatre, except with the prior written consent of the City Manager and ZSTC. ZSTC may charge third parties using the Theatre a fee based on a fee schedule to be established annually by ZSTC in accordance with guidelines as specified in Exhibit "A" which is attached hereto and incorporated herein. The income derived from such fees shall be used to defray ZSTC's share of Theatre Costs. ZSTC shall have the right to adopt rules and regulations governing the use of the Theatre, which rules and regulations may address any and all aspects of such use, including without limitation the following issues:

- (a) Required insurance coverage for users;
- (b) Content of printed programs;
- (c) Advertising which uses the name "Zachary Scott Theatre Center" or any variation thereof;
- (d) Assurances of payment for user expenses, such as payments to ZSTC, promotion fees, artists fees, artist expenses, advertising expenses, costs of printed programs and payment for insurance coverage;
- (e) Service of food and beverages; and
- (f) Handling of ticket sales and box office.

ZSTC agrees to provide to the City copies of the fee schedule established annually by ZSTC, and all rules and regulations adopted by ZSTC governing the use of the Theatre.

The City shall have the right to use the Theatre, but not ZSTC staff, free of charge of the base rate for use of the facility, for up to eighteen (18) facility use days per year

(based upon the City's fiscal year), beginning in fiscal year 1989/90 or when two (2) spaces become available, whichever occurs first, and provided further that such space is available pursuant to the normal booking procedures then in force by ZSTC. The City and ZSTC shall negotiate in good faith to determine the sequencing and space to be provided to the City. Days to be provided to the City free of charge may be changed annually by mutual agreement of the City and ZSTC.

7. Admission Fees. ZSTC may charge admission fees in connection with performances or activities at the Theatre. In addition, ZSTC shall have the right to charge user fees for special services, such as educational classes. The amount of such admission and user fees shall be used to defray ZSTC's share of Theatre Costs. Upon receipt, ZSTC shall furnish no less than six (6) complimentary tickets to any ZSTC sponsored event, for use by the City; provided that the number of complimentary tickets may be changed annually by mutual agreement of the City and ZSTC.

8. Hours of Operation. ZSTC shall keep the Theatre open a minimum of thirty-five (35) hours per week, subject to reduction as is reasonably necessary to permit repairs to the Theatre, to permit installation and removal of sets, or in observation of normal holidays.

9. Name of Theatre. During the term of this Agreement, the Theatre shall be called "Zachary Scott Theatre Center".

10. Collateral Uses of the Theatre. ZSTC shall have the right to use portions of the Theatre for collateral uses, including without limitation, restaurant, catering services, beverage service, coffee shop, or gift shop purposes, or for ZSTC's administrative offices, in which event the income, if any, derived from such uses shall be used to defray ZSTC's share of Theatre Costs; provided, however, such collateral uses, excluding ZSTC's administrative offices, shall not use more than Ten Thousand (10,000) square feet of the theatre unless authorized by the prior written consent of the City, and ZSTC's administrative offices shall not use more than Ten Thousand (10,000) square feet of the Theatre unless authorized by the prior written consent of the City. Provided, however, that if the amount of area allocated to collateral uses should, in the reasonable opinion of the City's Bond Counsel, cause the City's bonds to become taxable, in whole or in part, the City and ZSTC agree to reduce the area devoted to collateral uses to such extent as may be necessary to preserve the tax exempt status of said bonds. By the word "bonds" is meant only those outstanding bonds issued or sold by the City to finance the Theatre identified and defined in the General Agreement, of even date herewith, between the City and ZSTC.

11. Subcontracting Theatre Services. ZSTC, at its option, may contract with third parties to provide some of the services involved in the collateral uses at the Theatre. Any such contract shall be subject to City requirements relating to nondiscrimination.

12. Reports to City. During the term of this Agreement, ZSTC agrees to provide to the City through the Parks and Recreation Department the following information:

- (a) A true and correct copy of ZSTC's corporate charter, with amendments, if any, and an accurate, complete copy of its bylaws, and any amendments thereto, together with true and correct copies of subsequent amendments to the charter or the bylaws as they become effective.
- (b) The names and addresses of all members of the Board of Directors of ZSTC, and the names of all future directors, as they are elected.
- (c) Copies of ZSTC's personnel rules and regulations governing the conduct of its employees, and any subsequent amendment thereto as such amendment is adopted.
- (d) True and correct copies of the minutes of meetings of the Board of Directors, as finally approved by the Board of Directors.
- (e) Quarterly reports within thirty (30) days after the end of a quarter reflecting all performances at the Theatre during that quarter and all other programmatic services that have been provided to the public during that quarter.
- (f) Quarterly reports within thirty (30) days after the end of a quarter setting forth financial and attendance information with respect to the programs and other services provided by ZSTC, together with copies of pertinent publicity and programs in connection therewith, and any newsletter published by ZSTC during such quarter.

- (g) When requested by the City, separate event reports containing financial and attendance information with respect to each separate event presented by ZSTC within sixty (60) days after completion of the event.
- (h) ZSTC's annual budget, and any amendment thereto, within fifteen (15) days after the same is adopted.

Quarterly reports and event reports specified in this Section will be made on forms provided by the City.

13. Financial Information. In addition to the monthly reports of Theatre Costs, as set forth above, ZSTC annually shall provide to the City a financial audit of ZSTC's operations for ZSTC's most recently completed fiscal year. Such audit shall be provided to the City within fifteen (15) days after such audit is accepted by the Board of Directors of ZSTC.

ZSTC's financial records shall be available for inspection and copying by the City during ZSTC's normal business hours and at ZSTC's business office, or at the office of its accountants, upon three (3) days written notice from the City to ZSTC.

14. Ex Officio Members. During the term of this Agreement, the City's Mayor, City Manager, and Director of Parks and Recreation Department or his designee shall be non-voting ex officio members of the Board of Directors of ZSTC. ZSTC agrees to amend its by-laws to provide for such ex officio positions.

15. Acknowledgment of City Support. ZSTC will acknowledge City support in all printed materials and other advertisement pertinent to the programs presented by ZSTC in substantially the following form: "This program is funded in part by the City of Austin," or in such other form as the City may reasonably request in the future. ZSTC will also acknowledge City support in the construction of the Theatre by placing a plaque adjacent to the main entrance to the Theatre, or by other means agreed upon by the parties.

16. Termination. This Agreement may be terminated under the following conditions, but no others:

- (a) By the non-defaulting party in the event of any default under this Agreement by the other party, provided that the non-defaulting party has first provided to the defaulting party written notice specifying such event of default, and provided further that the defaulting party has failed to cure such event of default within thirty

(30) days after receipt of such written notice; provided, however, that if the event of default is such that, by its nature, cannot reasonably be cured within such thirty (30) day period, then the defaulting party shall not be deemed to be in default for purposes of this subsection if it has, within such thirty (30) day period, begun reasonable efforts to cure such default and pursues such efforts with reasonable diligence thereafter until such default is cured.

(b) By ZSTC as provided in Section 2, above.

(c) By either party upon termination of the Lease of the Theatre of even date herewith between the City and ZSTC.

17. Relationship Between the City and ZSTC. In acting as operator pursuant to this Agreement, ZSTC shall be an independent contractor, and nothing herein shall be deemed to constitute the City and ZSTC as partners or joint venturers. Nothing in this Agreement shall alter in any manner the status of personnel employed by ZSTC, who shall in no event be deemed to be employees of the City.

18. Nondiscrimination. ZSTC hereby acknowledges its commitment not to discriminate on account of race, color, sex, age, handicap, religion or national origin, in employment practices (unless age or handicap is a bona fide occupational qualification) or in the use of, or admission to ZSTC programs.

19. ZSTC Directors. It is recognized that it is the intent of ZSTC that the Directors elected to its board shall provide broad representation of the community interests in the promotion and presentation of the arts, consistent with ZSTC's purpose and policies as set forth in ZSTC's by-laws.

20. Tax Exempt Status. ZSTC warrants (i) that it is a tax exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, (ii) that ZSTC will maintain such status at all times during the term of this Agreement, and (iii) that its use of the Theatre shall, during the term of this Agreement, be in furtherance of ZSTC's exempt purposes under said Section.

21. Compliance with Laws. ZSTC agrees that it will strictly observe and abide by all applicable laws and ordinances of the City of Austin, the State of Texas, United States of America, and any other applicable political subdivision, as the

same now exist or as may hereafter be amended; provided, however, that nothing herein shall permit the City to amend the terms of this Agreement by ordinance or other action.

22. Notices. Any notice, payment, report or other matter required or permitted to be given by either party to the other may be effected either by a personal delivery to the address set forth below, or by certified mail, postage prepaid, return receipt requested, properly addressed to the appropriate address set forth below.

If to the City, to:

The City of Austin
c/o City Manager
P. O. Box 1088
Austin, Texas 78767-8828

With a copy to:

Parks and Recreation Dept.
P. O. Box 1088
Austin, Texas 78767-8828

If to ZSTC, to:

Zachary Scott Theatre Center, Inc.
P. O. Box 244
Austin, Texas 78767
Attention: Elota Patton

Either party may change its address by written notice to the other in accordance with the terms of this section.

23. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

24. Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

25. Applicable Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created by this Agreement are performable in Travis County, Texas.

26. Prior Agreements Superseded. This Agreement constitutes the sole and only agreement of the parties to this Agreement

with respect to the subject matter contained herein, and super-
sedes any prior understandings, or written or oral agreements
between the parties concerning such subject matter.

27. Amendment. This Agreement may be amended only by
written document, duly executed by the City and ZSTC.

EXECUTED as of the 24th day of November, 1987.

THE CITY OF AUSTIN, TEXAS

RW

By *Lobby Watson*

Name: LOBBY WATSON

Title: AUSTIN City Manager

ZACHARY SCOTT THEATRE CENTER, INC.

By *Philip Maxwell*

Name: PHILIP MAXWELL

Title: Legal Counsel

EXHIBIT "A"

Guidelines for Setting Rates for Use of
ZSTC Theatre Facilities

1. In setting rates, the following factors will be considered:
 - type of user (profit or non-profit)
 - type of event (performance/film/meeting/workshop/etc.)
 - actual costs to operate
 - market (rates charged by similar facilities for similar events)
 - time of week (weekday vs. weekend)
 - time of day (day vs. night)
 - extraordinary utility or security requirements
2. The rate structure will be tiered as follows:
 - non-profits will be charged less (15-20%) than profit groups
 - a lower rate will be charged for certain daytime events (lectures, meetings, etc.) which require very little overhead costs
 - a lower rate may be charged for weekday events (Mon.-Thurs.)
3. The base rate for use of the facilities will be competitive with similar facilities.
4. Extra costs will be added to the base rate for "extra" services such as:
 - stage lighting
 - stage labor and services (technicians, labor)
 - house labor and services (house manager, usher)
 - video/audio equipment and technician services
 - dance floor
 - alcohol and food catering
 - (ordinary custodial maintenance will be provided as part of the base rate)
5. Box office may initially be handled by user group (unless in co-sponsorship with ZSTC) although ZSTC shall have the right to develop or contract for a box office service which users must employ.

REMAND DATE	AGENCY	JUDGE
1/4/2017	AMC	Erik Cary
5/15/2017	AMC	Beverly Landers
5/25/2017	AMC	Beverly Landers
2/14/2017	AMC	Beverly Landers
3/11/2017	AMC	Celeste Villarreal
1/21/2017	AMC	Celeste Villarreal
1/21/2017	AMC	Celeste Villarreal
3/10/2017	AMC	Celeste Villarreal
1/7/2017	AMC	Celeste Villarreal
4/19/2017	AMC	Erik Cary
3/20/2017	AMC	Erik Cary
3/20/2017	AMC	Erik Cary
4/18/2017	AMC	Erik Cary
7/18/2017	AMC	Erik Cary
1/20/2017	AMC	Erik Cary
7/13/2017	AMC	Erik Cary
2/15/2017	AMC	Erik Cary
2/17/2017	AMC	Erik Cary
3/4/2017	AMC	Ferdinand Clervi
2/5/2017	AMC	Ferdinand Clervi
2/27/2017	AMC	Kenneth Vitucci
2/2/2017	AMC	Mitchell Solomon
4/26/2017	AMC	Patrick McNelis
3/3/2017	AMC	Ron Meyerson
1/6/2017	AMC	Ron Meyerson
5/15/2017	AMC	Ron Meyerson
3/1/2017	AMC	Stephen Vigorito
1/31/2017	DACC	Michael Coffey



Related To

Item #24

Meeting Date

September 28, 2017

Additional Answer Information

QUESTION/ANSWER:

Can NHCD provide a list of the job creators and small businesses to which PeopleFund have provided loans to over the past two budget cycles? COUNCIL MEMBER HOUSTON'S OFFICE

Job Creation Per Contract with the City of Austin

2015-16	*AAHYF	Chief Administrative Officer
	AAHYF	Youth Substance Abuse Counselor
	AAHYF	Youth Program Coordinator
	AAHYF	Program Specialist Director
	AAHYF	Program Outreach Coordinator
	AAHYF	Licensed Chemical Dependency Counselor
2016-17	AAHYF	Licensed Professional Counselor
	AAHYF	Life Coach
	AAHYF	Manager
	Frameworks CDC	Manager of Operations & Real Estate
	Multicultural Refugee Coalition	Chief Operating Officer
	Multicultural Refugee Coalition	Production Specialist
	Multicultural Refugee Coalition	Production Specialist
	Multicultural Refugee Coalition	Sales & Customer Service Coordinator



Council Question and Answer

Related To

Item #52

Meeting Date

September 28, 2017

Additional Answer Information

QUESTION/ANSWER:

(1) Has a TPID been submitted to the City? If so, please provide as back up. If not, will such a proposal be submitted before Council considers the related resolution on 9/28/17?

- a. Approval of the creation of a Tourism Public Improvement District (TPID) has not been formally submitted to the City of Austin. The only presentation to date to the City of Austin on a Tourism PID was to include authorization for state legislation to be pursued to allow Austin to consider creation of a tourism public improvement district. This legislative program authorization was by the prior Austin City Council.
- b. A tourism public improvement district petition would not be submitted to the City Council until the terms of such a district are agreed to between the hotel industry and the City Council and the requisite petition signatures are obtained by hotel owners on a petition that contains those terms. The formal TPID proposal will not be submitted before Council considers the 9/28/17 resolution.
- c. Over time, if a PID petition is signed by over 60 percent of the hotel owners within the District, the City Council may then hold a public hearing on both the creation of the district and on the setting of the assessment rate for the district. See Tex. Loc. Govt. Code 372.009(a) and 372.016(b). In both cases, it would require a majority vote of the city council to approve.

(2) Were the staff's financial projections for the TPID based on a 40% or 20% concession?

Staff financial projections were based on the combination of a 20 percent direct concession from the TPID and a 20 percent TPID funding commitment for convention center meeting incentives that would flow from TPID to the convention center, and then ultimately to the City of Austin.

(3) The resolution directs that 40% of the TPID taxes be used for "homeless support and housing." At the recent Council meeting, Scott Joslove of the Texas Hotel and Lodging Association indicated that 20% would be a direct concession to the City and the additional 20% would come "via a roundabout way with the Convention Center whereas we provide incentives for conventions, in other words, we buy-down the cost of the convention center, that's for new business that wasn't there before. That money would then be allocated up to the point where it reaches 20% that when it's 20% that we provide as a pure concession straight for the city as authorized by the pid law and another 20% match would be secured from the convention center receipt of tpid funds for convention buy-downs in order to bring the convention to Austin."

- a. It is accurate that 20 percent of the TPID funds (which are assessments paid by the TPID members, these assessments are not taxes) would be provided to the City as a direct concession to the city. This concession would need to then be used for a purpose that fits within an authorized statutory use for PID funds.
- b. It is also accurate that an additional 20 percent of TPID funds would come to the City through "a roundabout way" through the Convention Center receipt of TPID convention cost incentives. This convention center revenue must be used by the convention center in a way that provides value to the TPID member hotels for the noted purpose. However, once that value is provided (e.g.; the pursuit of convention center business), the recorded revenue from this allocation can be transferred to the City to be used for any city purpose

including homeless service programs as directed by the City Council.

(4) Why would the agreement be structured in this way rather than a direct allocation of 40%?

- a. The hotel industry has indicated they are not amenable to setting a precedent for creation of a TPID that would directly allocate 40 percent of the TPID as a concession to a city. They do not feel that ownership groups would sign onto a TPID petition that provided this level of a concession. However, it is their belief that hotel ownership groups would agree to up to a 20 percent concession if it is part of a program that also includes a convention center expansion and increased convention activity that also increases hotel room night stays.
- b. The hotel industry has indicated it is amenable to an additional 20 percent allocation from TPID funds for convention cost incentives, as this allocation would directly impact hotel activity and is an authorized use for tourism PID funding. The fact that the City would earmark the convention center revenue achieved from this allocation for homeless services is not an issue for the lodging industry.

(5) If incentives from the TPID to new business at the Convention Center do not total the full 20%, will the City still receive that full amount? If so, would that full amount come from the Convention Center budget, or will the TPID be required to make up the difference?

Yes, the service plan for the TPID can be set up so that the allocation to the City for convention center incentives must be equal to the full 20 percent of annual TPID funds. If it is set up this way, the TPID would be required to cover the full 20 percent that is included in the service plan for this purpose even if Visit Austin and the Convention Center do not reach all of their projected goals.

(6) Will the payments Mr. Joslove described as coming from the Convention Center be restricted in any way?

There are two payments described by Mr. Joslove. Both payments must be expended for an authorized purpose under the TPID law.

- a. The first allocation of a twenty percent concession to the City that is to be used for homeless services could be allocated under the statutory purposes of "health and sanitation," "public safety", or "the development or expansion of affordable housing." See Local Government Code Section 372.003 (b) (13) and (b)(15). Any expenditures of these funds provided by the TPID for this purpose must fairly fit into one or more of these statutory categories. The use of the funds must also have a beneficial impact on the hotels within the district. Addressing the homeless issue would arguably positively impact tourism and hotel activity. As long as these two criteria are met for these funds, the City Council is only restricted by the requirements of Texas law that the funds be used for a municipal purpose, that controls are in place to ensure that the municipal purpose is achieved, and that, if the City is providing the funds to others to provide the services, the City must receive a benefit that is roughly equivalent to what the City is paying.
- b. The second allocation of twenty percent of TPID funds is to the convention center for meeting incentive purposes. These funds are authorized under the PID statutory category for "business recruitment." See Local Government Code Section 372.003 (b) (13). Once the convention center conducts the business recruitment activity and records this revenue, it may then allocate the new revenue to the City. Once the City receives this allocated revenue from the Convention Center, it can be used for any municipal public purpose including homeless services.

(7) What would be the source of the funding for the Convention Center's payments?

The source of funding for the convention center's payments related to the TPID would be from the funding allocation for convention incentives.

(8) Would the Convention Center be required to make the full 20% payments even if doing so represented a significant (additional) loss in revenue? How would the Convention Center cover that gap?

- a. Yes, if the TPID Service Plan is adopted as currently proposed, the Convention Center would make the full 20% payment from the TPID source of funds.

- b. Part of the overall plan also includes a provision that the Convention Center would in turn reinvest in the buy down/incentives program via payment to Visit Austin (administrator of the program) when needed to ensure the program's continued viability and success. The program will result in an increase in events and hotel rooms nights, thereby providing for increased Hotel Occupancy Tax (HOT). All recipients of HOT will benefit from this program. This program is consistent with the Convention Center's longstanding business model and results in an overall positive impact to the Convention Center's ending balance. Currently, any facility revenue foregone through discounts is more than offset by HOT revenue. This buy down and incentives program will follow the same model. Any funding used to reinvest in the program will come from the Convention Center's revenue streams, including operating revenue and HOT.

(9) For how long will the TPID be authorized?

TPIDs in Texas have generally been authorized by cities for a term of ten years. Arlington and Fort Worth are both set for a ten-year period. Dallas has a 13 year term.

(10) Which are the hotels that will vote on the TPID and where are they located?

There is no "vote" by hotels to approve a TPID. Instead, approval is secured through a petition that must be signed by over 60 percent of the ownership of the hotels within the district. The hotels within the district would include every hotel with 100 or more sleeping rooms that is located within the City of Austin. See Tex. Loc. Govt. Code 372.0035(a)(2)(A)

(11) If the TPID has not yet been submitted, what is the process for securing approval from hoteliers for a TPID? What is the typical timeframe for review and approval from hoteliers, development of a service plan, and any other phases required of a TPID?

- a. The process for approval of a TPID typically proceeds through the below steps:
 - i. Negotiation of the terms of the proposed service plan/budget for the TPID between the hotel industry and city staff/city council.
 - ii. Use of the negotiated service plan as part of a petition that is circulated by the hotel industry to its hotel ownership groups for signature on the petition.
 - iii. Once over 60 percent approval is secured by the ownership groups, the petitions are submitted to the city for certification.
 - iv. Once the petitions are certified, the city council may call public hearings on the creation of the TPID and on the setting of the assessment rate for the TPID.
 - v. The time frame is typically about 6 months to secure approval of the hotel ownership groups from the date that city staff/city council and the hotel industry agree on the terms of the proposed service plan.

(12) What is the process for amending a TPID?

There is an annual city council process for approval of the service plan, but this does not involve amending the service plan. It is simply to approve that the next year's updated service plan based on projected revenues and expenses. The role of the city council in this annual review is to ensure that the next year's projected revenues and expenses are consistent with the adopted service plan.

(13) For what purposes can a TPID concession to the City be used?

There is not a statutory provision that specifically addresses TPID "concessions" to a city. That being said, any concession provided by a TPID must fit within one of the existing statutory categories for PID fund expenditures. We have noted above the statutory categories that relate to the provision of homeless services. The other authorized statutory purposes for use of PID funds are contained in Local Government Code Section 372.003. As noted above, any PID funding expenditures that is pursued must also positively impact the stakeholders within the district (in the case of tourism district, the hotels with 100 or more rooms within the City).

(14) Are there any restrictions that would prevent the TPID revenue from being used to fund case management services and housing for individuals experiencing homelessness?

- a. The use of TPID funds for “case management” purposes could potentially fit under the PID statutory category for “health and sanitation” purposes and under the “public safety” category, but this would depend on the actual type of case management services that are provided.
- b. The use of TPID funds for “housing of individuals” could fit under the PID statutory category for “the development, rehabilitation, or expansion of affordable housing.”

(15) Would there be any restrictions that would keep future Councils from directing the TPID concession away from services related to homelessness?

- a. Once the TPID service plan is adopted, the funds must be allocated according to the provisions within the TPID service plan. If the service plan specifically identifies the use of a percentage or amount of funds related to homelessness, that amount or percentage of funds would be required to be used for that purpose by the City.
- b. The right of a future city council to vary the use of those funds would depend on how broadly the category for this expenditure is identified in the service plan.

(16) Please provide an annual breakdown of the “buy-downs” the Convention Center provided over the last 5 years. If Visit Austin also provided financial incentives, please indicate those as well.

The Convention Center’s reported discounts since 2013 are:

FY13	\$1.1 million
FY14	\$1.3 million
FY15	\$1.3 million
FY16	\$1.7 million
FY17 (est.)	\$1.6 million

Visit Austin does not regularly provide facility “buy-downs” for the Convention Center, but provides other incentives to groups, including: banners & signage, music, transportation, staffing, housing, board receptions, promo trips, social media or marketing platforms, shuttle buses, and foundation or scholarship donations.



Related To

Item #52

Meeting Date

September 28, 2017

Additional Answer Information

QUESTION/ANSWER:

How would expanding the Convention Center and taking on more debt improve the Convention Center's current operating deficit?

Regarding the proposed Tourism Public Improvement District, what are the necessary steps to establish a new entity to collect and distribute the funds that would come from a new 2 cent tax? Additionally, what is the timeline for establishing such an entity, when would the first monies flow into the TPID, and what is the anticipated amount? How does Travis County fit into the equation?

What is the actual understanding about the percentages that would come to the City? Is it 20 percent or 40 percent? Why would the City receive such a small portion of the total? Of the proportion that would go to the Convention Center, would that amount go toward operations, bond payments, or reserves? Who receives the benefit from that portion of the tax? Who receives the majority of the 60 percent "waterfall," and what is the City's role in administering or spending it?

With respect to the TPID governance and structure, who would be on the board and what entities would they represent? What role would they play in the day-to-day operations? Would the formation of the TPID require staff to manage the funds? What guarantees do we have to ensure transparency and accountability? COUNCIL MEMBER POOL'S OFFICE

1) How would expanding the Convention Center and taking on more debt improve the Convention Center's current operating deficit?

Page 63 of the Convention Center's Long-Range Master Plan, found at <http://www.austintexas.gov/edims/document.cfm?id=242405> shows the projected result of the recommended expansion on both the convention center's accounting net operating loss and overall net income that includes Hotel Occupancy Tax (HOT). As shown in the table below from that page, the recommended expansion scenario 3b has the most positive impact on the Convention Center's Net Operating Loss, meaning the projected incremental operating revenue is greater than the projected incremental operating expenses, and therefore decreases the Net Operating Loss, as well as a positive impact to net income that includes HOT. It should be noted that convention centers throughout the country are established with the understanding that their operations and debt are almost exclusively funded by local hotel tax generated by the hotel industry. If one includes the planned and budgeted hotel tax allocation for this purpose, there is no operating deficit.

Austin Convention Center Projected Operating Revenue and Expenses (\$000)									
	Existing	Scenario 1: As-Is		Scenario 2: East Expansion		Scenario 3a: West Contiguous Expansion		Scenario 3b: West Non-Contiguous Expansion	
	FY 2013	FY 2029	Incre- mental**	Year 8*	Incre- mental	Year 10*	Incre- mental	Year 8*	Incre- mental
Revenue	\$17,670	\$27,868	(\$312)	\$39,925	\$7,426	\$52,510	\$13,570	\$52,129	\$15,260
Expenses	\$32,931	\$52,601	(\$156)	\$60,871	\$5,153	\$72,378	\$9,872	\$69,337	\$10,586
Net Operating Income (Loss)	(\$15,261)	(\$24,732)	(\$156)	(\$20,946)	\$2,274	(\$19,868)	\$3,698	(\$17,207)	\$4,674
HOT Revenues									
Hotel Occupancy Tax CC (4.5%)	\$29,811	\$52,165	\$2,777	\$61,258	\$8,614	\$67,049	\$9,860	\$61,879	\$9,013
Hotel Occupancy Tax Venue (2%)*	13,248	23,182	1,234	27,223	3,828	29,796	4,382	27,499	4,005
Total	\$43,059	\$75,347	\$4,011	\$88,481	\$12,442	\$96,845	\$14,242	\$89,379	\$13,018
NOI After Support from HOT****	\$27,798	\$50,615	\$3,855	\$67,535	\$14,716	\$76,977	\$17,940	\$72,171	\$17,691
		(FY 2029)		(Year 8)		(Year 10)		(Year 8)	

Notes:

* The eighth full year upon expansion completion is assumed to be when the expanded Convention Center reaches stabilized operation (or tenth year, for Scenario 3a).

** Measures the difference between FY 2013 and the stabilized year upon expansion, reflected in 2014 dollars.

*** The 2% portion is related to the current Venue. For modeling purposes, it is assumed that the current Venue will be distinguished early and a new voter-approved Venue would be in place for the recommended expansion.

**** HOT would be pledged for debt service first, so this amount includes funds used first for debt service, even before covering expenses, with remaining amounts for Convention Center capital needs, operating reserves, and other Convention Center-related requirements.

Source: Austin Convention Center, Johnson Consulting

2) Regarding the proposed Tourism Public Improvement District, what are the necessary steps to establish a new entity to collect and distribute the funds that would come from a new 2 cent tax?

A tourism public improvement district petition would be submitted to the City Council once the terms of such a district are agreed to between the hotel industry and the City Council and the requisite petition signatures are obtained by hotel owners on a petition that contains those terms. Approval is secured through a petition that must be signed by over 60 percent of the ownership of the hotels within the district. The hotels within the district would include every hotel with 100 or more sleeping rooms that is located within the City of Austin. See Tex. Loc. Govt. Code 372.0035(a)(2)(A)

The process for approval of a TPID typically proceeds through the following steps:

- Negotiation of the terms of the proposed service plan/budget for the TPID between the hotel industry and city staff/city council.
- Use of the negotiated service plan as part of a petition that is circulated by the hotel industry to its hotel ownership groups for signature on the petition.
- Once over 60 percent approval is secured by the ownership groups, the petitions are submitted to the city for certification.
- Once the petitions are certified, the city council may call public hearings on the creation of the TPID and on the setting of the assessment rate for the TPID.

3) Additionally, what is the timeline for establishing such an entity, when would the first monies flow into the TPID, and what is the anticipated amount?

The time frame is typically about 6 months to secure approval of the hotel ownership groups from the date that city staff/city council and the hotel industry agree on the terms of the proposed service plan.

See slide 39 from the presentation to Council at its August 29, 2017 work session, found at <http://www.austintexas.gov/edims/document.cfm?id=282917>. As shown below from that slide presentation, the projected TPID revenue amounts that would directly or indirectly be available to the city under the proposed district are shown on the “Homeless Initiatives” lines of Scenarios B and C.

39

Convention Center: *Scenario Outcomes*

	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	<u>10 YR</u> <u>Total</u>
Scenario A											
Historic Preservation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$12.8	\$13.2	\$13.6	\$14.0	\$14.4	\$68.0
Music	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Homeless Initiatives	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Area Projects	CIP										\$0.0
											\$68.0 million
Scenario B											
Historic Preservation	\$1.8	\$3.3	\$3.7	\$3.2	\$4.7	\$6.0	\$7.9	\$10.6	\$12.2	\$13.9	\$67.3
Music	\$3.1	\$3.2	\$3.3	\$3.4	\$3.5	\$3.7	\$4.0	\$4.0	\$4.0	\$4.1	\$36.3
Homeless Initiatives	\$3.5	\$3.6	\$3.7	\$3.8	\$7.9	\$8.2	\$8.4	\$8.7	\$8.9	\$9.2	\$65.9
Other Area Projects	CIP										\$59.0
											\$228.5 million
Scenario C											
Historic Preservation *	\$13.9	\$14.5	\$15.1	\$15.5	\$16.0	\$16.4	\$17.0	\$17.4	\$18.0	\$18.5	\$162.3
Music	\$3.1	\$3.2	\$3.3	\$3.4	\$3.5	\$3.7	\$4.0	\$4.0	\$4.0	\$4.1	\$36.3
Homeless Initiatives	\$3.5	\$3.6	\$3.7	\$3.8	\$7.9	\$8.2	\$8.4	\$8.7	\$8.9	\$9.2	\$65.9
Other Area Projects *	CIP										\$59.0
											\$323.5 million
<i>* Based on allocation of 15%;</i>											
<i>* If changed to 10%, total 10 YR Funding for Historic Preservation is \$108 M, and funding for Other Allowable Area Projects increases by \$50 M</i>											

4) *How does Travis County fit into the equation?*

The state legislation that was passed to allow tourism public improvement districts only provides TPID creation authority to five Texas municipalities (Dallas, Fort Worth, San Antonio, Arlington, and Fort Worth). There is no equivalent authority for a county to create a tourism public improvement district with non-contiguous hotels throughout the city or county. Accordingly, there is no set role for the county regarding the creation of a tourism public improvement district. See Local Government Code Section 372.0035 (a) which states in applicable part:

(a). The section applies only to:

(12) a municipality that :

(A) has a population of more than 650,000 and less than two million; or

(B) has a population of more than 325,000 and less than 625,00; and

(2) a public improvement district established under this chapter and solely composed of territory in which the only businesses are:

(A) hotels with 100 or more rooms ordinarily used for sleeping, if the district is established by a municipality described by Subddivision (1) (A); or

(B) hotels with 75 or more rooms ordinarily used for sleeping, if the district is established by a municipality described by Subdivision (1) (B).

(b) a municipality may undertake a project that confers a special benefit on areas that share a common characteristic or use. The areas may be noncontiguous.

5) *What is the actual understanding about the percentages that would come to the City? Is it 20 percent or 40 percent?*

The first allocation of a twenty percent concession to the City that is to be used for homeless services could be allocated under the statutory purposes of “health and sanitation,” “public safety”, or “the development or expansion of affordable housing.” See Local Government Code Section 372.003 (b) (13) and (b)(15). Any expenditures of these funds provided by the PID for this purpose must fairly fit into one or more of these statutory categories. The use of the funds must also have an impact on the hotels within the district. Addressing the homeless issue would arguably impact tourism and hotel activity. As long as these two criteria are met for these funds, the City Council is not further restricted.

The second allocation of twenty percent of TPID funds is to the convention center for meeting incentive purposes. These funds are authorized under the PID statutory category for “business recruitment.” See Local Government Code Section 372.003 (b) (13). Once the convention center conducts the business recruitment activity and records this revenue, it may then allocate the new revenue to the City. Once the City receives this allocated revenue from the Convention Center, it can be used for any public purpose including homeless services. The source of funding for the convention center’s payments to the City related to the TPID would be from the funding allocation for convention incentives. If the TPID Service Plan is adopted as currently proposed, the Convention Center would make the full 20% payment to the City from the TPID source of funds.

Part of the overall plan under this proposal would also include a provision that the Convention Center would in turn reinvest in the buy down/incentives program via payment to Visit Austin (administrator of the program) when needed to ensure the program’s continued viability and success. The program will result in an increase in events and hotel rooms nights, thereby providing for increased Hotel Occupancy Tax. All recipients of HOT will benefit from this program. This program is consistent with the Convention Center’s longstanding business model and results in an overall positive impact to the Convention Center’s ending balance. Currently, any facility revenue foregone through discounts is more than offset by HOT revenue. This buy down and incentives program will follow suit. Any funding used to reinvest in the program will come from the Convention Center’s revenue streams, including operating revenue and HOT.

6) *Why would the City receive such a small portion of the total?*

The amount that Austin is proposed to receive from the TPID in direct and indirect TPID revenues is more than double what is being allocated to any other city in Texas under the tourism public improvement district authority. There is also no other tourism public improvement district to our knowledge nationally that provides a concession to a city at this level. Please note below the allocations in this regard to the other authorized Texas cities that have adopted a tourism public improvement district:

- a. The City of Dallas is only allocated just under 10 percent of the Dallas TPID proceeds as a concession
 - i. 7.5 % of this concession funds arts programs that have an area hotel impact; Unlike Austin, Dallas does not otherwise allocate 15% of local hotel tax to the arts.
 - ii. \$500k of this concession is allocated to the Dallas City Convention Center budget.
 - iii. The remaining Dallas TPID funds primarily fund supplemental marketing and incentives to promote hotel activity, with up to 5 percent allocated for research costs to assess the impact of district marketing and incentive programs and up to 5 percent of TPID funds allocated to Visit Dallas for administration of the program.
- b. The City of Fort Worth is only allocated 7.5 percent of the Fort Worth TPID proceeds as a concession
 - i. 7.5 % of this concession funds arts programs that have an area hotel impact; Unlike Austin, Fort Worth does not otherwise allocate 15% of local hotel tax to the arts.
 - ii. The remaining Fort Worth TPID funds primarily fund supplemental marketing and incentives to promote hotel activity, with up to 5 percent allocated for research costs to assess the impact of district marketing and incentive programs and up to 5 percent of TPID funds allocated to Fort Worth CVB for administration of the program.
- c. The City of Arlington does not allocate any concession to the city related to its tourism public improvement district. The vast majority of its TPID funds are allocated to marketing and incentives to promote area hotel activity with five percent allocated for research and up to 5 percent allocated for the Arlington CVB to administer the TPID program.

It should also be noted that a tourism public improvement district can only be initiated through a petition that is signed by the ownership of over 60 percent of the hotels within the proposed district. The Austin hotel industry leadership have consistently indicated that they would not propose nor support creation of a tourism public improvement district in Austin if it involved a concession of more than what is currently being proposed.

7) *Of the proportion that would go to the Convention Center, would that amount go toward operations, bond payments, or reserves? Who receives the benefit from that portion of the tax?*

None of the TPID funds would be used for Convention Center operations, bond payments or reserves. The benefit received from this portion of the TPID is three-fold. First, there's the overall economic benefit from the additional events that the buy down/incentives program generates, Second, all recipients of Hotel Occupancy Tax benefit from the additional room nights generated from those events. And third, the City benefits from being able to utilize that portion of the TPID for homeless initiatives, once the new business is secured.

8) *Who receives the majority of the 60 percent "waterfall," and what is the City's role in administering or spending it?*

As to the allocation of the remaining 60 percent of the TPID revenues, the anticipated service plan for the district would primarily allocate those revenues to supplemental marketing and expenditures to promote new group and convention business activity for area hotels. A small portion of district funds (5 percent) would likely be allocated to research costs to assess the impact of district marketing and incentive programs. And up to 5 percent of district funds would likely be allocated for administration of the TPID programs by Visit Austin. The City's role in administering or spending TPID funds would be the same as its role with other

Austin public improvement districts: the city council is asked to approve the annual service plan for the TPID in terms of its adherence with the adopted ten year service plan that is approved by the City Council for the district.

9) *With respect to the TPID governance and structure, who would be on the board and what entities would they represent?*

The Tourism Public Improvement Districts in the three Texas cities (Dallas, Fort Worth, and Arlington) that have adopted such districts are all governed by a board of directors solely composed of TPID stakeholders with assessed properties within the district. In the case of tourism public improvement districts, the stakeholders with assessed properties are the hotels within the district. The board of directors is structurally organized under the Texas Nonprofit Corporation Act and the resulting entity is a nonprofit Tourism Public Improvement District Management Corporation. The ultimate board of directors that is selected is balanced to represent the various sizes, locations of hotels, and lodging brands within the district and is modeled to also ensure that the board members reflect the diversity of the community. The board members represent the interest of all assessed stakeholders -area hotels within the district- to ensure that the TPID programs effectively promote the goals of the district.

10) *What role would they play in the day-to-day operations?*

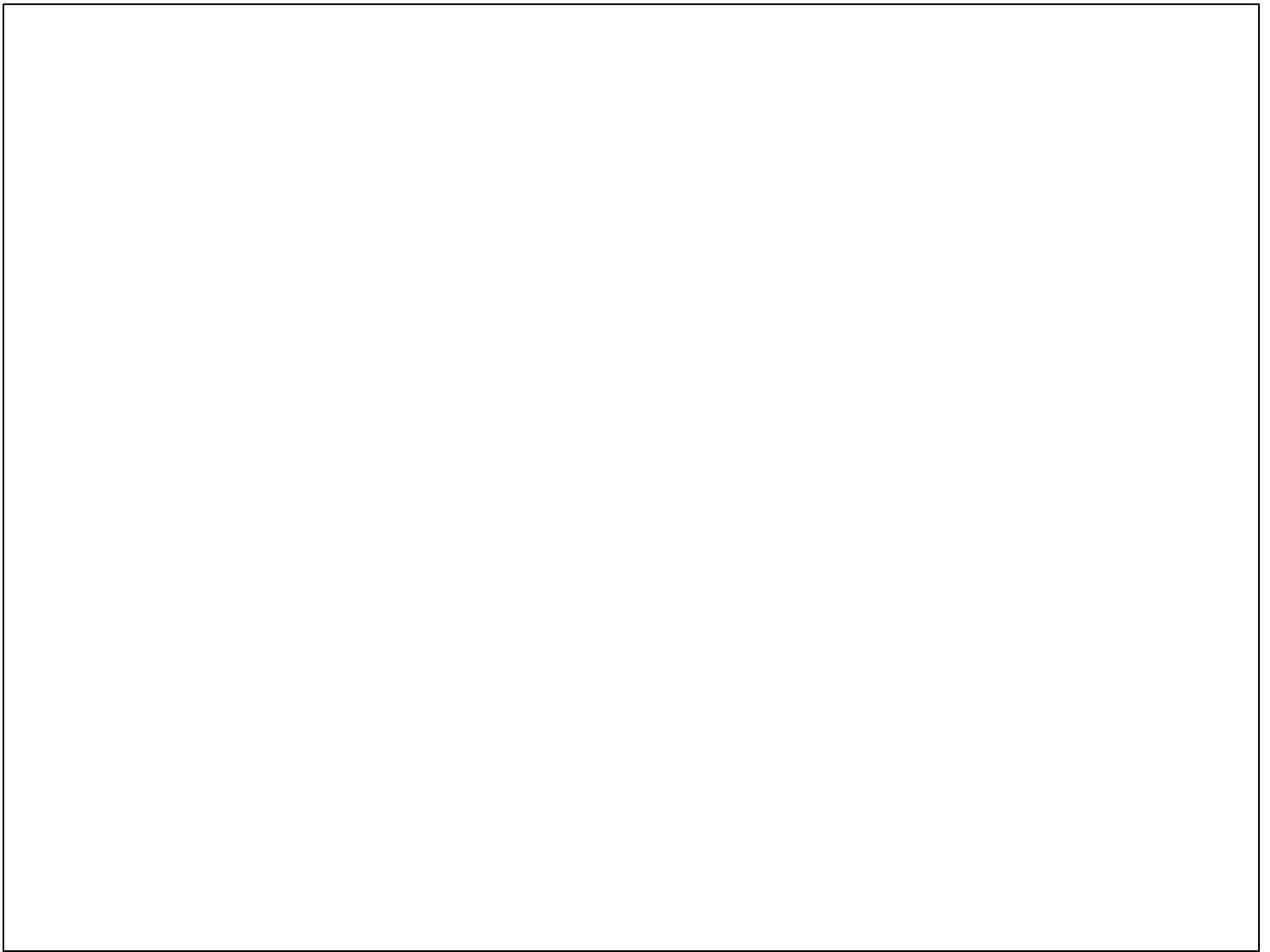
The District board of directors serves as the oversight entity regarding the implementation of all district programs. Typically, they meet quarterly to review and approve proposed supplemental marketing and incentive programs to promote increased convention, group, and tourism activity within the District.

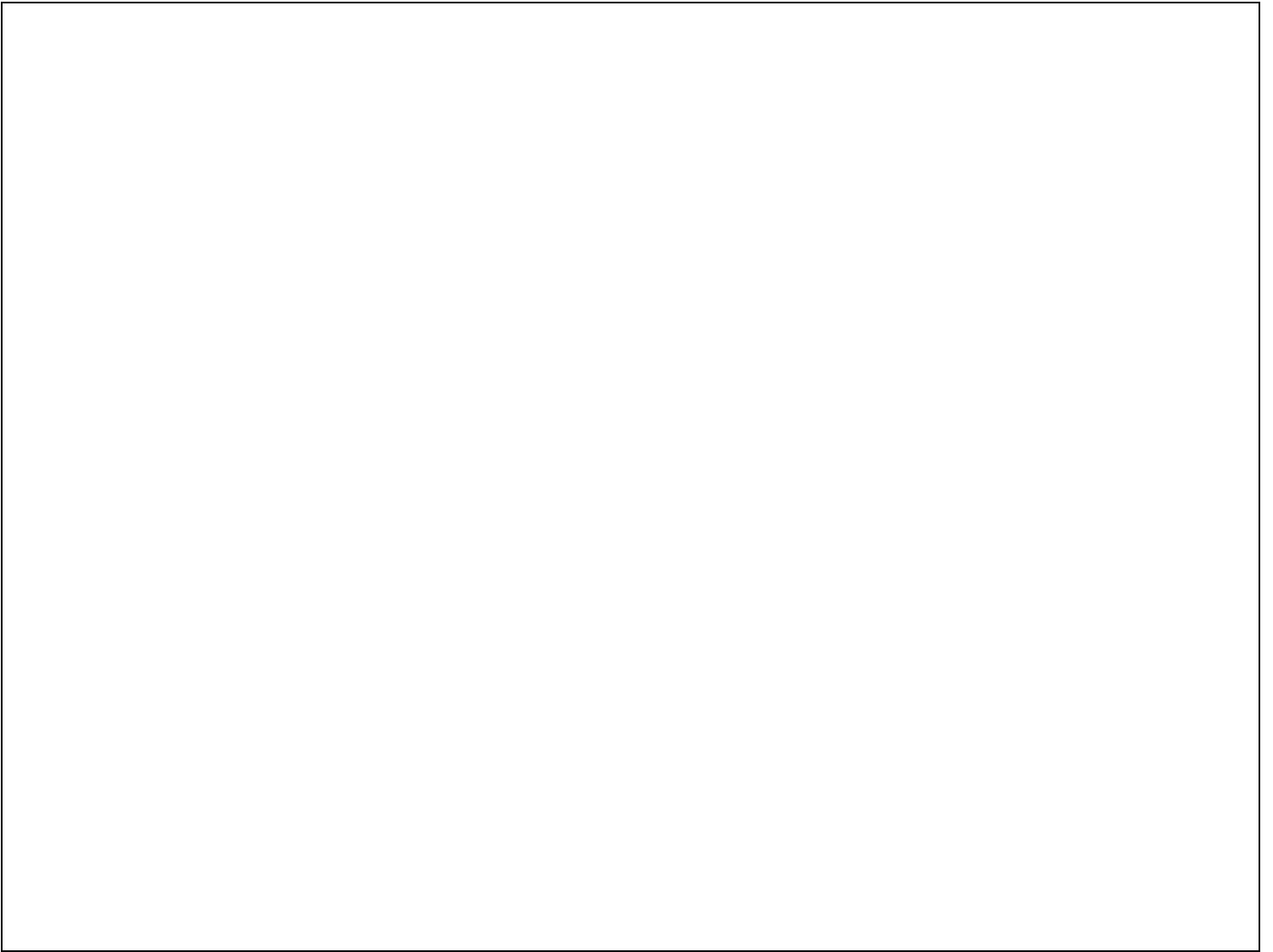
11) *Would the formation of the TPID require staff to manage the funds?*

The TPID board approves a management contract with the area destination management entity (e.g.; Visit Austin) to implement the day-to-day program activities of the District. The formation and administration of the district typically does not require additional staff to manage the funds. For example, in all three of the other existing TPIDs in Texas, the existing staff of the CVB manages the TPID funds once they are received by the City. The Cities providing the TPID assessment proceeds are permitted to recover any actual costs that the city has in creating the District and in providing the monthly allocation to the District. These costs are generally minimal as the assessments are collected through already existing city hotel tax collection forms which only need to be slightly modified to include a tourism public improvement district assessment.

12) *What guarantees do we have to ensure transparency and accountability?*

The administration of the TPID is typically addressed in a three-way contract between the City, the TPID nonprofit management corporation, and the area CVB that administers the day-to-day TPID programs. This contract requires quarterly and annual financial and operational reports to be provided to the City to ensure transparency and accountability. There is also a requirement that an annual financial and performance audit be done and a copy provided to the City for this same purpose. Further, the TPID service plan/budget must be presented for approval by the Austin City Council annually as to adherence to the ten-year TPID service plan, providing for further transparency for the City Council. Finally, the Tourism Public Improvement District documents would all be subject to public information requests that provide general access to all such information unless there is an applicable exemption under state law.







Council Question and Answer

Related To

AHFC #7

Meeting Date

September 28, 2017

Additional Answer Information

QUESTION: *Why does the Urban League receive so much funding for emergency home repairs? What is the difference in this award and the awards in #10? COUNCIL MEMBER HOUSTON'S OFFICE*

ANSWER:

The Austin Area Urban League receives \$1 million for contractual production of 325 units/year. Each household can receive emergency home repair of up to \$5,000. The Emergency Home Repair contract with Austin Area Urban League includes funding for direct program delivery and operation costs.

In the scope of services, program requirements, and maximum assistance per project. Although both programs – Emergency Home Repairs Program and the Go Repair Program – funded under the mentioned grants provides home repairs services for the eligible citizens, the differences are described below:

Program	Type of funding	Purpose	Scope of Services	Program requirements	Maximum Assistance
Emergency Home Repairs	Federal funding: CDBG	<i>The program is intended to assist low-income homeowners with emergency repairs to their residence. "Emergency" is defined as "A situation that poses an immediate threat to life, health, property or to the environment". This definition also covers repair situations created by accidents or natural disasters that pose an impending danger to the structure and are creating an imminent threat to public health and safety and to the surrounding neighborhood. Services provided under the program are designed to alleviate actual risk to life, health or</i>	<i>Services provided under the program are designed only to alleviate actual risk to life, health or safety for eligible homeowners and their families.</i>	<i>Applicant's gross annual household income may not exceed 80% of MFI for the City.</i> <i>Applicant must be the fee simple owner of the Property for which repairs are requested.</i> <i>All funding federal requirements, such as: Environmental review at the program and project level, Personnel and staff capacity, Financial capacity, Monitoring, Audit requirements, Insurance; other federal requirements like flood insurance (if required), lead-based paint, uniform</i>	Up to \$5,000 per project

		<i>safety for eligible homeowners and their families.</i>		<i>administrative requirements and cost principles, etc.</i>	
Go Repair! Program	Local funding: GO Bond	<i>The purpose for this program is to alleviate actual risk to life, health or safety for eligible homeowners and their families. This program also seeks to remove logistical barriers between local organizations currently operating home repair programs; Reduce or eliminate waiting lists, and; Build the capacity of local nonprofits to provide these specific types of home repairs for qualified people. Eliminate the Housing Hazards identified for the Green and Healthy Homes.</i>	<i>Accessibility modifications, repair of the major housing systems such as electrical, plumbing, mechanical and roof;</i> <i>Life safety requirements according to the applicable building code; and</i> <i>The Housing Hazards identified for the Green and Healthy Homes.</i>	<i>Applicant's gross annual household income may not exceed 80% of MFI for the City.</i> <i>Applicant must be the fee simple owner of the Property for which repairs are requested.</i> <i>The Project must be economically feasible under the Program assistance limits with the appropriate justification of cost and repairs.</i>	Up to \$15,000 per project



Council Question and Answer

Related To

AHFC #10

Meeting Date

September 28, 2017

Additional Answer Information

QUESTION: *What funding did the seven non-profits receive in the last two budget cycles? What are the metrics and how did each non-profit score? What else is taken into consideration? What is the difference in what is required in this item and #7? COUNCIL MEMBER HOUSTON'S OFFICE*

ANSWER:

Agency	FY 2016	FY 2017
American Youthworks	144,000	49,080
Austin Area Urban League, Inc.	300,000	204,498
Austin Habitat For Humanity, Inc.	388,000	257,668
Easter Seals - Central Texas, Inc.	256,620	85,890
Interfaith Action of Central Texas	384,930	282,208
Meals on Wheels and More, Inc.	1,026,450	1,022,495
Rebuilding Together Austin	N/A	98,161
Total	2,500,000	2,000,000

The metrics for FY17-18 were the percentage asked for by individual non-profit based on total amount requested from all non-profits. That percentage was applied to the \$2.5 million available. **Score: See Final Evaluation Results- Attachment # 1**

For FY17-18, and the previous fiscal years, the non-profit had to turn in a complete, signed Notice of Funding Availability (NOFA) package and score above 75 points to be qualified for funding.

A major difference between the Emergency Home Program and the GO! Repair Program is in the procurement and award process. The Emergency Home Repair program is funded through the federal CDBG program, which allows for subrecipient designation. The City of Austin has designated the Austin Area Urban League as its subrecipient. The seven agencies who will provide services for the GO! Repair Program were selected under a NOFA process. They provided supporting documentation about operational team experience and qualifications, waiting list, process schedule, project budget, uses of funds, and funding leverage.

**G.O. REPAIR! FY 2017-2018 NOFA
Evaluation and Funding Results**

Applications Received	FY 16-17 Award	Difference from Last Year Funding	FY 17-18 Amount Requested	FY 17-18 Amount Recommend	Justification	FY 17-18 Units Requested	FY 17-18 Units Recommend	Evaluator 1	Evaluator 2	Evaluator 3	Combined Reviewer Scores
American Youthworks	\$ 49,080.00	\$ (3,580.00)	\$ 72,000.00	\$ 45,500.00	1.82% of Total Funding Requested	4	3	81	84	92	85.7
Austin Area Urban League, Inc.	\$ 204,498.00	\$ (14,998.00)	\$ 300,000.00	\$ 189,500.00	7.58% of Total Funding Requested	17	11	90	86	87	87.7
Austin Habitat for Humanity, Inc.	\$ 257,668.00	\$ (18,918.00)	\$ 378,000.00	\$ 238,750.00	9.55% of Total Funding Requested	21	13	98	94	96	96.0
Easter Seals - Central Texas, Inc.	\$ 85,890.00	\$ 595,860.00	\$ 1,080,000.00	\$ 681,750.00	27.27% of Total Funding Requested	60	38	95	100	87	94.0
Interfaith Action of Central Texas	\$ 282,208.00	\$ 24,542.00	\$ 486,000.00	\$ 306,750.00	12.27% of Total Funding Requested	27	17	100	100	98	99.3
Meals on Wheels and More, Inc.	\$ 1,022,495.00	\$ (75,745.00)	\$ 1,500,000.00	\$ 946,750.00	37.87% of Total Funding Requested	84	53	100	80	97	92.3
Rebuilding Together Austin	\$ 98,161.00	\$ (7,161.00)	\$ 144,000.00	\$ 91,000.00	3.64% of Total Funding Requested	8	5	80	86	84	83.3
	\$ 2,000,000.00	\$ 500,000.00	\$ 3,960,000.00	\$ 2,500,000.00		221	140				

HF Events	NA	NA	\$ 450,000.00	XXXXXX	Did Not Qualify for Funding	30	XX	40	23	43	35.3
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