

## Tax Increment Financing Reinvestment Zone #17 Board of Directors Meeting Transcript – 05/24/2018

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[5:35:49 PM]

>> Mayor Adler: I'm going to go ahead and close the city council meeting right now at 5:37, recess it so I can open the newly created tirz board meeting. Today is may 24, 2018.

[5:37:51 PM]

With our new board I'd like to invite Jessica Rio, cfo, to come join us on the board dais here. If you could sit in Ms. Troxclair's seat. This is as close as we get to constituting our new board. This is -- we're going to take up item number 1, which is to approve a resolution recommending amendment number 2 to the project and the financing plan for the tirz, making this recommendation to council. Is there someone that would like to make that motion? Councilmember pool. Is there a second to that? Councilmember alter. This is the revised version that's been handed out on the dais. It's a yellow page. Actually it was with us when we came back from lunch.

>> Number 001.

>> Mayor Adler: The upper right-hand corner has tif item 001.

>> Mayor adler:so I wanted to make that motion please -- councilmember pool. Second? Councilmember alter. Councilmember Flannigan seconds that.

>> Flannigan: No.

>> Mayor Adler: No? Councilmember alter seconds that. It's been moved and seconded. This item 001. Councilmember Flannigan.

>> Flannigan: Thank you, mayor. I know there's a number of items to vote on, but since this is the one that recommends the amendment I'm going to go ahead and make my statement now. I think any time

we contemplate a tif we should do so very carefully. It's often described rhetorically as new money, but tifs are often not new money. They're the regular tax revenue. There's this but-for the project in question question.

[5:39:51 PM]

So I spent a lot of time going through all the backup information. I read every single page. It was scintillating, including the market study. I can attest that I read every page because I found typos, couple here, couple there. But I did find that there are some risks, there are some risks to this project. There's risks of economic downturn. There's the risk that is inherent when you have a large private fund-raising ask. There is the risk of unexpected cost. There is the risk of these unknown assumptions about the impact of this project outside the boundary of the tirz. Some of those risks to my mind are some of the increased costs that this project might create, especially around the new development. Normally when you have development downtown, the tax revenues you collect far exceed the maybe additional fire equipment you need in that fire station or couple of other officers to patrol and we've seen that to be true across all of downtown. When I first saw the tirz proposal, including a boundary extension it really made me nervous but this no longer extends the boundary. It maintains a very narrow thread right along the creek and even though we don't have hard numbers about how many -- how much new tax revenue we will collect as a result of this project outside the boundary I think it is reasonable to expect that it is more than zero. There are properties just one block away from this that are outside the boundary and I think it's reasonable to assume that those will be increased in value as a result of this project. There are -- there's something really powerful about this project, and I think it's important to note that when we seek to do something amazing, we can also build something amazing nearby and that they can work together.

[5:41:51 PM]

If we were contemplating this project without the tirz, non-that we would do it because the question would be who else is going to pay for it, it would be fungible across an entire city. In this case we're not. We're saying the properties right along this creek are going to fund it. There was a concern about this relationship across downtown but I'm no longer concerned about that. I think the risks inherent in this project are ones that have been fully identified, having read all of the backup I feel confident that we know what we're getting ourselves into. And I think as a city we've always been one, I hope, willing to do the big thing. That we're not going to let perfect be the enemy of the good and we're not going to let another plan sit on the shelf and collect dust. I and a couple of my colleagues have asked hard questions through this process. I feel it was -- is my duty, especially to my district, to explore every dollar that this council spends and I have routinely voted against spending items. I've voted no on the last budget. I have voted accordingly and consistently. But in this case I think that the risks being fully identified, the tirz being narrowly defined and clearly an amazing future asset to this city and its future generations I will be supporting these items as we move forward.

>> Mayor Adler: Thank you. Further discussion from the board? Mayor pro tem.

>> Tovo: Just a couple quick things. I appreciate all of the comments that we've had today and the suggestions. I want to ask a couple questions about -- so former mayor Sheryl Cole asked us to make an amendment to the joint development agreement, which is not the item before us. We're -- but we'll be considering that here in a minute. And I wanted to suggest to staff that we do have regular financial reporting on the progress of that.

[5:44:01 PM]

I see Mr. Canally nodding his head. I'm not sure what the time period is. Quarterly would be too frequent. I think annually seems about right. Annually or more frequently if it seems appropriate. And so I guess I'd like to just provide that as direction from the dais to the city manager. And I'd also just like to ask Mr. Mullin of the waller creek conservancy, we had some testimony a bit earlier about the need for the waller creek conservancy's plans as they move forward and the transformation of this network of sparks creation of the network of parks that it needs to work in sync with the Rainey street cultural district and mexican-american cultural center and the eventual -- well, let me just say palm school and its eventual role. And so I know that these are all issues that you and I have had an opportunity to talk about and I've heard you talk about them in public but I wanted to just hear your thoughts on the waller creek conservancy's commitment to continuing to work and make sure that all of those projects can be successful.

>> Thank you, mayor pro tem. I appreciate the opportunity to respond because the sense of partnership that the conservancy brings to the city does not end there. We really see it as core to our mission to be partners with all of our community partners that surround the project and beyond. The Mac is a crucial one of those. We've actually really tried to work hard to for there a collaborative effort with the Mac to see how beck, you know -- where the whole can be more than the sum of the parts given our adjacencies. We create a working group to figure out how the interface physically would work as part of the master planning process. You know, I'm I think from a programming standpoint there are lots of opportunities for us to collaborate with the Mac. We are always looking for those kinds of opportunities.

[5:46:01 PM]

It's crucial to what we do. Palm school is another one. Rainey historic district, red river clearly district, burgeoning innovation zone and it goes on and on and own. These are crucial to what we do and we look forward to engaging all of these partners.

>> Tovo: Thank you. Thanks very much. And as was stated before, I served on the waller creek citizens advisory group long, long ago. I took actually bill Spelman's spot when he ran for council and was elected and it's really -- I certainly haven't been involved with it as long as many of you in this room. I know we've had an opportunity a few times in this session to thank you but really during this gathering

while so many of you are present who have been involved with this area of the city for so many decades, I just want to thank you all. I think this is really going to be transformational for our city and I'm very excited about the work that the waller creek conservancy is doing to make sure that austinites in every corner of our city embrace this and see this as their place to come recreate downtown and I know that you are all working really hard on making sure that it is inclusive and that the activities that will go on in our different networks of parks really celebrate the diversity of Austin. So thank you.

>> Mayor Adler: Okay. Ms. Houston.

>> Houston: I just want to say that waller creek, I inherited waller creek. So I call it my red-headed step child. But I'm going to say to the folks that -- when Peter Mullin came on board, the culture of the conservancy changed. There had not been much reaching across I-35 or looking for marginalized communities or engaging all of Austin. And since he's been here, I've seen a drastic change in his reaching out, his ability to listen, and I hope that continues.

[5:48:02 PM]

I hope that you don't -- as I get these millions and millions of dollars begin to think that the people who are east of waller creek are not important. So I hope you will continue to work with people of all ethnic groups and diverse, okay? You've done a good job.

>> Mayor Adler: We have to take a vote. Item number 1 from the board of directors, those in favor please raise your hand. Those opposed. Voting is -- all of us present voting aye, which are all the city council members, without councilmember troxclair. And Ms. Rio. It's been good to have you up here on the dais. Thank you for your efforts in this as well, and she voted with the unanimous board. All right. So I am now going to recess -- or adjourn the tirz board meeting. It is 5:48.