

City Council Work Session Transcript – 05/10/2016

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[9:00:32 AM]

May 10, 2016 Austin city council work session

[9:06:45 AM]

>> Tovo: good morning, it is 9:06 I apologize for the delay. We are still unable to start but I'm going to encourage our council colleagues who might be upstairs to come on down so we can start the meeting.

[9:12:18 AM]

>> Tovo: good morning, I'm mayor pro tem Kathie tovo, filling in for the mayor for a little bit. He is on city business but will be joining us shortly. Councilmember Houston is also on city business. She is actually on an honor flight on her way to Washington, D.C., and councilmember troxclair is also going to be out for today. So we do have a quorum, though, and we'll get started. I believe councilmember Zimmerman has pulled a good number of items related to the waller creek so I'm thinking if he's going to join us in a bit that we will go ahead and get started. We will skip over those items for right now

>> Mayor pro tem?

>> Tovo: Yes.

>> Garza: I'm sorry, I wanted to pull -- I'm looking for sun chase to does questions. I wanted to give staff a heads up, sun chase P.U.D. I'd like to ask questions about that.

>> Tovo: Sure. Do you know if we have staff coming to talk about that? Okay, so they may or may not get here by the time we're ready to take that up. Okay, sun chase P.U.D.

>> Garza: It's 26.

>> Tovo: Let's see if there are any items that we can get to that do not involve waller creek councilmember Renteria, you pulled items 29, 30. Why don't we -- he's right there.

>> Kitchen: Oh, there he is.

>> Renteria: Yes.

>> Tovo: All right. We'll give him a minute to get back. So let's do items 29 and 30 and see what else we can take up.

[9:14:19 AM]

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>> Renteria: Sorry about that. On 29 and 30, I talked to the guy that -- the people there are not ready to make any kind of -- they haven't worked out any kind of deal or anything. They're still working on negotiating and both parties said that they would be willing to wait until June 15, I believe.

>> Tovo: Okay. So on Thursday someone will ask for postponement on that.

>> Renteria: Yes.

>> Tovo: Until June 15. Councilmember kitchen?

>> Kitchen: I apologize. I'm just not reading this right. On the cascades, it's down as a briefing. Is that a briefing for today?

>> Tovo: It was my understanding that we're handling that in executive session today about is that accurate?

>> Kitchen: Is that right?

>> Tovo: That's not accurate.

>> Kitchen: It says briefing on planned unit development assessments. Is that for today or is that --

>> The 2:00 P.M. Briefing is for Thursday. It's not on today's agenda.

>> Kitchen: The cascades briefing? I'm looking at item 47. Ongoing. Thursday. But it's just a briefing. It's not for action?

>> That's correct.

>> Kitchen: Okay.

>> Mm-hmm.

>> Tovo: Okay, councilmember Garza is going to do her q&a. I do have -- I did pull late the item that I sponsored along with several others of you, and that is the item related to -- number 18, and I know we have the commander here to provide a little bit of information about this. This is item 18, an initiative that the police department has been working on with the downtown Austin alliance and some other community partners and it is a real innovative

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strategy so I invited commander Corcoran to speak about this. This would be a pilot program and it's something that's been implemented successfully in Houston and just implemented in San Antonio and there are homelessness outreach teams in other cities around the country. It's an interdisciplinary approach to get officers on -- get officers out there on the street interacting with individuals experiencing homelessness and try a more proactive approach and they're -- typically the interdisciplinary team is also comprised of a social worker or a caseworker, sometimes a paramedic, and there's been a work group meeting over the last couple weeks and I've had the privilege of attending and hearing a little bit about their plans. This is the first action that the council is taking in the course of those conversations they identified a need for a vehicle to transport individuals who might need to go to a pharmacy and get a prescription or to other kinds of locations and Capital Metro has a vehicle that they're willing to lend to the city of Austin and so this item here would provide a mechanism for our city staff to go forward and negotiate. But I would invite commander Corcoran who has been a real champion of this concept and is really the force of rolling it out here in Austin.

>> Thank you. I just wanted to just give -- too much technology for me. Anyway, I did want to give just a brief kind of an idea of what we're doing with this homeless outreach team, and basically in the past the police department has dealt with the homeless in the only way the police department has traditionally, which is make a bunch of arrests, take people

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to the jail, the jail can't hold class E misdemeanors so they get quick out pretty quickly. Even when they go through the downtown court, they get released because they can't afford the fine and they can't either physically or for other reasons not be able to do community service. And so we've thought about whacked we do differently and interrupt this cycle, at least divert what's going on. They talk about the 80/20 rule, where 20% of the population use -- of this population uses 80% of the resources and so how do we get to that population to reduce the cost of going to the er for routine checkups and that kind of thing. So this team was -- I saw it, I had a presentation by Houston pd. They've had the hot team, the homeless outreach team. We haven't named it yet but it's probably going to be something similar to that. The approach is that a police officer is teamed up with an outreach counselor, which we're getting provided by atic, they're going to provide us two counselors. Austin ems already has an outreach program. They're going to give us a paramedic for the female we'll have two officers, two complete teams, one west town and one downtown. If you're a new homeless person in town you have to figure out where you're supposed to go, how you're supposed to get whatever resources you need and do all that on your own until at least you get to bun or two steps into it. This outreach team gets out there proactively, talking to people, trying to figure out why they're out there, what can we do to help you. For instance, we had just the other day somebody had a rash. Normally we would either take them to the er or that's where

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they would go to get treatment, sometimes calling an ambulance to get there. All they needed was a prescription. We were able to get the -- just the parts of the team together just for that short time and get that person a prescription filled and taken care of without having to eat up a lot of city services. So that's the whole point of the program. It will also help us collect a little bit more data. We've got a lot of data on homeless people and I don't want to just keep collecting a lot but there's some things you learn by just talking to people. I was out two days ago talking to some homeless people and found out that they can't go into a shelter because they have a dog and there's no place in Austin where they can drop a dog off so that they can go in a shelter at night so they have to stay outside. They couldn't take care of their warrants because they can't get into the court with a dog, and so that's an issue that comes up. I would have never thought about that. So that's the type of things that we're hoping to figure out. It's not going to be the end-all to where we're going to solve homeless with this team. This is just a small piece. It's more of a proactive diversion team to where we can get out there, we can divert people away from taking up implant city services, maybe get them routed, make sure everybody has got the coordinated assessment done and hopefully even add some caseworkers into the MIX.

>> Tovo: Thank you very much. And thank you again for your leadership on this issue. I think this is one of an array of innovative and important strategies strategies

that our stage in partnership with some of the communities and social service partners are deploying and I'm real excited about this effort. Just to underscore a few things that the commander said, this initial pilot program does not include at this point is not asking for additional financial resources. The police department is dedicating several officers to the team. Ems is dedicating a paramedic, atic is dedicating two -- a

[9:22:25 AM]

caseworker and an outreach worker and so it will operate for now without any new increase in resources and the hope is that we'll see the value of it. I will say, in talking with them, a lot of the social service providers have -- are enthusiastic about it and collaborating on this effort to help it be successful, but there is a absolute tremendous need, I think, if you talk -- and most of you are probably hearing and talking with them as well. There's a real need for additional resources. If this team is successful in encouraging individuals who aren't currently part of the coordinated assessment, they haven't had a coordinated assessment, if they're successful in getting them to go through the coordinated assessment process, we need additional caseworkers to help process that information. And, you know, obviously we need tremendously more housing resources and so there are -- there are lots of other resources that will be necessary and we're going to have to work together to figure out where those resources are going to come from.

>> Kitchen: Mayor pro tem? So thank you so much for working on this. This is really excellent. I think it's right where we need to be going, and I thank you all for what you're doing too. I mean, this is the kind of targeted outreach, and those community assessments, as you know, are critical -- a critical way to make sure that we're really connecting in a way that's specific to the person. So the question I have is, we have an idea in district 5 and I've been working with echo on how we can -- echo and the district rep, how specifically we can work with the problem in that area, and that's the -- it's just south of Ben white along manchaca, I don't know if you're familiar with it but it's a concentrated area that's been a real problem. There's at least one exposure

[9:24:29 AM]

exposure near to a kid near the school. We're trying to figure out how we could have some outreach to the folks that are homeless in that area. So my question to you is, can you add another area? And if you need additional resources to do that, let me know what you need and I will help make that happen. Because this is an immediate problem for this particular area. And we're already taking steps to try to do something, but it sounds like you've got the team in place that would really be more targeted. Could you add an area?

>> Eventually. We're going to try and run a pilot just for enough time to where I can get budget items in because eventually we're going to have some ftes to run this program.

>> Kitchen: Sure.

>> I'm dedicating patrol officers right now out of the downtown area command.

>> Kitchen: Okay.

>> So eventually we will be wanting some ftes and some other equipment. You know, the transport vehicles that we're talking about today are -- will be critical. But this should be a citywide program, and I'm the commander over the downtown area, but eventually I would think that this would move to one of our centralized commands

to where maybe under the cit unit or something, once we get it up and going so that it's a citywide program because this team -- in Houston they go to the transient camps. It's a proactive approach to try and get out and get to those people who normally wouldn't come in and main -- maybe they've been barred from arch or wherever and can't come in or maybe they have a dog. And so this team will -- I would think would eventually expand.

>> Kitchen: Okay. So I'll talk to our -- the area commander for this part of the city and if that's okay have him connect to y'all.

>> Sure.

>> Kitchen: This is -- it's an immediate urgent issue for my part of town, and so we've already started doing some things but it sounds like this is perhaps a more efficient way to do it. So I can't wait until the budget process.

[9:26:30 AM]

But I'll --

>> Is it in a park?

>> Kitchen: I'll connect the resources I'm working with to you guys.

>> Is it in a park?

>> Kitchen: No. It's under the freeway -- well, it's a begin nation. There's manchaca and the freeway. They gather under the freeway but then over into the neighborhood there's a church on the corner, 7-11 and so there's a lot of activity right at that intersection. I forget the name of the cross-street. So I don't know if you're familiar with that part of town but --

>> I'm familiar with that intersection.

>> Kitchen: It's been a real -- it's new, relatively new. And it's been a big problem, you know, for the neighborhood, and of course the folks that are homeless there need connection to resources, and it's not happening.

>> Tovo: One of the things we talked about at I think it was last week's meeting is just that very question of how focused this initial team would be. And, you know, unfortunately there are individuals experiencing homelessness all around the city in different parts of my district, I know. And so I think the discussion last week was about maybe having this team initially serve as a resource but have the resources that are currently in those other areas respond to the immediate situation. But perhaps this team, if they have time, could be on the phone and offer some suggestions and, you know, make sure that coordination happens. And then I agree with you that I think it needs to be a citywide program.

>> Once the team is up and running --

>> Tovo: Additional resources to support it.

>> Once the team is up and running I think they'll be like the one call you make, call this person and they -- whether it's the Dr unit out south for that command or whatever, they could call this team and at least give them the resources.

>> Tovo: Again, I really want to thank also the downtown Austin alliance because

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they've really been talking about this concept, they introduced me to it and I think have been very helpful in making sure the resources -- that the Houston folks came here and talked to the -- our police department about it. Since she's here I want to thank Shannon because we had no sooner left the -- Shannon on my staff we had no

sooner left the work group meeting and these folks identified the need for a van, within a couple days she had capital metro and secured this possibility so we have creative folks all over.

>> Casar: I'll keep it brief, thank you, commander and thank you, mayor pro tem, for your work on this in particular. I think that potentially before it becomes a citywide initiative, something that we might consider is there being at least one team and if we need additional resources during the budget week we could see if we could accommodate it, where we learn in pilot how to deal with bringing resources to folks in camps significantly further away from downtown just because I think those are two pretty different situations. I totally understand why and applaud that it would probably start here in the -- as close as possible to the urban core, where I think we have the highest concentration based on the Numbers that I have seen but I think that for many of us out in our council districts, especially a little bit further out from downtown, I think at least speaking to patrol officers, it's a different challenge with those folks that are in -- that are on vacant parcels and camped further away from resources. So perhaps as we kick it off, since we can't -- I understand with the pilot program you can't just turn it into the program, but potentially we could see if there's a way for us to pilot what it might look like and take to bring resources not just to the downtown population, but perhaps some of the encampment population as well.

>> Tovo: All right. Thank you. Thank you again for being here with us.

>> Thanks.

>> Tovo: Okay. Next we're going to go to our

[9:30:31 AM]

waller creek briefing. Councilmember Zimmerman, we waited on this briefing for you, and then -- so we'll hear the briefing and then get to the items that you pulled that are related to this.

>> Zimmerman: I appreciate that. I was stung in traffic for 35 minutes.

>> Tovo: We're all working on that. [Laughter]

>> Zimmerman: This one was actually --

>> Tovo: That's right, even this morning.

>> Zimmerman: There was some personal safety accident so this wasn't routine traffic.

>> Tovo: And I did announce earlier councilmember Houston was on the honor flight. I just was supplied with more information from her office that I wanted to read. Honor flight Austin from May 9-10 is honoring Vietnam war veteran lieutenant colonel James Daniel who passed away approximately three months ago. His family is burying him at the Arlington national cemetery so honor flight is having a presence during his service so 25 Vietnam war veterans can attend that funeral in Washington and councilmember Houston is accompanying them. Welcome.

>> Good morning. My name is Howard Lazarus, director of the public works department. I am joined here at the tangle this morning by Joe, director of watershed protection and Gordon Bowman who is among other things our construction attorney for the majority of projects that public works department undertakes. Our goal today is to present the current status of the waller creek project in light of the fact we're asking council to consider seven interrelated items at the meeting on Thursday. Three of those actions are related to construction, two are related to project funding, one is an extension of an easement and the last no-cost request to approve an alternative delivery approach for dewatering the tunnel so we

can engage in warranty work. All these work together to help us ensure we are going to deliver the high-quality

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project that the city expects to receive. Before we get into the details, I do want to share two images that we took last week. And those are on the screen in front of you. The one on the left is the inlet structure. As you can see, it is a rather impressive piece of public infrastructure, the building itself and vein and lagoon, that work is completed. What we're doing now is the interior of the work, and also working with the collateral conservancy to finish the park-related improvements. On the right-hand side you see the outlet. The horseshoe shaped item is basically the lagoon where the tunnel empties and you can see the other amenities, including the boat house, rerouting the trail and the new pedestrian bridge on the trail. Again, I want to show those because I want to provide the reassurance this project is going to be successful, it is making progress in spite of its challenges and is being well managed and well delivered. Our discussion today will hit those points shown. I want to give a little background. We'll give you a little overview of the functionality of the tunnel and we want to get into a discussion of the scope, the status, issues and provide recommendations on the path forward to ensure that we achieve the goals the city has for this project. And then we can entertain questions and engage in a discussion of items of interest to council. So as a background, waller creek project is complex effort from both a financial and project deliver perspectives. You'll see as we walk through the different that's what we're going to ask council to consider. As I stated work is progressing satisfactorily toward completion although we have encountered numerous challenges along the way. Council items sought on the seven related items that have a combined impact of \$7 million, we're also asking for another half million dollars for unforeseen contingencies. Approval is necessary to ensure that the momentum of

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the project is maintained. I also want to underscore now and at the end of the discussion that the city expects to significantly recover the additional funding requested at the completion of this project. And it is a proof statement that I would offer to you that we recently came to council asking for what amounted to bridge funding for the fifthstreet chilled water loop where we asked council to approve a million and a half dollars and in the end recovered over a million eight -- we never get the chance to come back and tell council about those successes but I offer that as good faith that the city staff proceeds diligently to protect the city's financial interests. So at this point I'm going to turn the briefing over to Mr. Pantalione to go over the oversight project.

>> Thank you, Howard. Good morning. I'm going to briefly review the scope of the project. Its major components, the benefits of the tunnel and how the tunnel will be operated. As you can see on this graphic, the tunnel is just over a mile long. It's 60 to 70 feet underground and located in the eastern portion of downtown Austin. It generally is aligned with waller creek and the street right-of-way. The major components of the tunnel include the main inlet at Waterloo park. There are two smaller creekside inlets, one located between eighth and ninth street and another between fourth and fifth street and then, finally, the main outlet structure, which is

located on the shore of lady bird lake on waller beach. Because the tunnel is designed to divert the full 100-year flood event there's a great reduction in the flood threat to public safety. The last time we had a 100-year flood event land an waller creek that was about 1915 and there were 35 deathsat that time. Four a 100 year storm event

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the floodplain along lower waller creek is up to will 5800 feet wide, covers more than 20 acres so with a tunnel in place what we're expecting is a reduction of the 100-yearfloodplain, thereby reclaiming over a million square feet of land, protecting 42 structures and 12 roadways. Also as far as improving the riparian corridor, because we are diverting the fast moving flood waters into the tunnel and those velocities will no longer be flowing down the creek, what you'll see is much less severe stream erosion anddegradation, letter trash and debris, since a lot will be collected at the facilities and also reliable base flow given that we have pumps at the main inlet and we'll talk about that in a second. Again, because those flows have been diverted, any future improvements that are built, whether it's by the waller creek convergesy, city or private redevelopment will have a higher level of protection because essentially those flows will no longer be flowing down waller creek and creating a hazard to those improvements. In all, with the 28 acres being removed and as part of the tif set up, there was an economic analysis that was done and the projected increase in taxable value within the district was over two and a half billion dollars of which the taxes that's generated from that money will help pay for the tif for the first 20 years and afterwards will flow back to the city covers could have nevers. Here is a schematic of the tunnel, as you can see to the right is upstream, to the left is downstream and lady bird lake. Because the tunnel is 60 to 70 feet underground and hydraulically connected to lady bird lake there will always be water in the tunnel, even all the way up to 12th street. What this allows us to do 99% of the time when it's dry

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weather is to pump water out of the tunnel and into the creek, thereby providing a reliable base flow to the creek. It's really going to improve the ecological integrity andhealth of the creek and also serves as a function for the tunnel by turning over the water in the tunnel so the tunnel water does not become inoxic, doesn't lose oxygen and releasing noxious gases so there's kind of a double benefit there. Again, we're very pleased to know that with that really low energy pump that not only do we have increased water in the creek, better ecology in the creek but also from an aesthetic and recreational standpoint an improvement as well. During a storm event water will flow down waller creek and once that water gets to 12th street the water that is generated from all parts of the watershed above that will be diverted down into the tunnel and that's over 8,200 cubic feet per second. And that's a tremendous amount of water. It's on the order of 3.7 million gallons of water every minute. So it's essentially diverting a small river 90 degrees down downtown Austin. There are two smaller creekside inlets as I said earlier, between eighth and nine streets and third and fourth streets whereadditional water will be diverted down to the tunnel before it all is released at lady bird lake. There's an outlet structure and a long flume at -- weir at lady bird lake that gentle releases the water into the lake so as to reduce scouring of

the lake beds. There was a lot of thought given there. Finally, after a storm event for a day or two after a storm event, if you think about stormwater, there's a lot of pollutants in stormwater, as we all know, things that consume oxygen, biological

[9:40:38 AM]

oxygen demanding what we want to do is evacuate that stormwater out of the tunnel. For a day or two after a large storm event we'll run the pumps at a higher rate, close to 28 cubic feet per second to evacuate that water and get fresh water into the tunnel. That serves from maybe a citizens' perspective to replicate what they would think of a stream happening or experiencing shortly after a large storm event, that there would be higher flows in the creek after a storm event so it really does help to replicate, say, the natural hydroperiods of the creek. Now we're going to get into the contractual issues on the project and I'll turn it back over to Howard unless there's any question.

>> Mr. Pantaloni, I think that may be a good time to take a quick break and let you finish your presentation and ask questions about that segment. Councilmember pool.

>> Pool: I had a thought. You were saying that the tunnel can divert 8,000 gallons per -- what was the metric?

>> 8,250 cubic feet per second.

>> Pool: Okay. So it's carrying that much in a flood and how much can Waller Creek contain? Is it like unlimited because it can flood?

>> Well, Waller Creek will still have its capacity up to kind of the creek bank top flow capacity but really the intent of the project is to limit rises to four to five feet within the creek during a 100-year storm event. That was one of the criteria established and one that was a criteria that was assumed as being fulfilled through the economic analysis because the well -- the more well-managed the water is within the creek, the more development that could approach the creek.

>> Pool: Okay, great. Thanks.

>> So a project of this nature is complicated in itself. The road map that you see on the screen in front of you is

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think will be helpful in us discussing how the pieces all fit together to achieve the city's objectives. As I go through this, I do want to stress a couple points. One is much of what I'm about to talk about is subject to some of the protections under the contracts as we work through the disputes. So I'm going to defer to Gordon while we get -- when council has questions as to what needs to be protected for the city's future position in those discussions. Also, I do want to stress as we go through resolving the challenges all parties have proclaimed very positive, both our consultants, contractors, city staff are all committed to working through these issues together to ensure the ultimate success of the project. So as you look there are really five main paths on the contractual map. The outlet projects as we've talked about, the boat house, the docks, the trail and bridge and those have all been successfully completed. There's minor administrative work and no council action required at this time. The rest I'll get into in a little more detail, tunnel and fourth street inlet. The tunnel has been in service for about a year, provided flood relief but there are warranty issues that need to be addressed. Fourth street is under construction and that -- the eighth street inlet is in progress, it was delayed partially because of the redesign,

partially because we needed to rebid it from a budgetary standpoint. That subcontract with Oscar Renda and making progress. Waterloo park and Waterloo inlet are also in progress. That has required and certainly enjoyed some collaboration with the waller creek conservancy. We have addressed the capital view corridor issues that arose and I'll get into those in a little bit as well. Then we have the design professional services agreements with the design joint venture. As I've said although we have negotiations and discussions with the joint venture they also have remind committed to the project ascots. So let's go through each one

[9:44:40 AM]

of these components in a little more detail. I talked about the outlet projects. I won't dwell on these long because they are all 100% completed. We are negotiating a settlement on the final claims. Our expectation is that we'll be able to settle those claims within the existing authorization and we're not asking for any council action at this time. Moving upstream, the tunnel in the fourth street inlet, again, one contract with sj lewis. The tunnel has been in service but pending some warranty repairs. One of the items we're asking council to does is a -- the ability to use a competitive seal proposal approach to address the one year warranty to dewater the tunnel so that is -- doesn't have any cost with it but state law requires us to get council approval before we use an alternative delivery method. Sj lewis does have claims for delays during construction on the counter balance we have warranty claims and assertions for liquidated damages. Those will all be worked out over the course of time. We are having a third-party engineer review the construction to determine the best method to correct some of the warranty issues that exist. On the fourth street inlet, we anticipate completion in the october-december time frame. There are some contract changes required to address some design omissions. That's in the amount of about a half million dollars. Again, the contractor has claims against the city for delay and forced removal of defective concrete. It's our assertion the work was defective and needed to come out. We also, again, have our assertions for liquidated damages as the contractor exceeds the required completion date. We're also working with kbrsb, the design JV to address non-value-added costs related to design and it is our expectation we will reach an agreement with the design consultants. On the eighth street inlet, again, work is in progress.

[9:46:41 AM]

The start was delayed due to redesign requirements. We had to rebid due to cost constraints and there were some other conflicts. The contract change is currently with Oscar -- there is some remaining authorization within the contract and, again, we are addressing what we consider to be non-value-added changes related to design with the design joint venture. On the Waterloo inlet and park improvements this is probably the most complicated and detailed part of the project other than the tunnel itself. We do anticipate finishing all work by the end of the calendar year. Bottom line here is that we have experienced substantial delays and costs due to the design's initial intrusion into the capital view corridor and there were also other design -- we are working as I said with the joint venture to sustain responsibility for those additional costs. We do need council action to increase the contract amount and the budget. We have a proposed change order with Oscar Renda that will settle our delay claims. That step is necessary before we can address shared or proportional liability on the cvc and

other issues with the Julie Haston. It was initially our intent to bring both the financial and contractual side back to council at the same time. Unfortunately we haven't been able to do that because the pace of construction has gone faster than our ability to resolve those financial concerns so as I said before, as was the case with the fifth street issues, we're really asking for bridge financing to get us to where we can complete the work and then recover costs at the end. Also with regard to the park improvements, as I said, the anticipated completion is on the 16th. We have designs coordinated for the eastern and southeastern edges of the project with the waller creek consurgency. Also the central health district has become involved because the interface with the old red river right-of-way abuts the eastern side of this

[9:48:43 AM]

project. In the end it will be a rather spectacular completed project with opportunities for requisition, for an esplanade and for the concert venue that the conservancy is look to go build. As we finish the inlet and do the area on the southeastern part of the site as well as the eastern edge the remainder of the site will be turned over to parks and recreation and waller creek conservancy. We have worked with development services to try and get those existing permits transferred as well. We have a couple issues remaining that we have to walk through on the inlet facade and a shade cover for the watershed staff. We want to make sure that those provide the necessary operational improvements but also meet the conservancy's request for how they integrate into the rest of the park. Finally on the design professional services side, the joint venture is providing reduced construction phase services and some city staff, public works staff, have taken over some design responsibilities to get us through completion. There is a contract with the design joint venture to do the letter of map revision, which is the key document in getting the floodplain redesignated so the 28 acres that Mr. Pantalione talked about will be removed from the flood hazard zone. The loan work cannot be committed until the inlet has been complete so that will be one of the critical activities in determining project duration. Also watershed staff is monitoring the functionality and the screen structure and its ability to design the design storm as construction progresses. I said before the tunnel has provided interim flood relief and that is true. We won't know the ability of the tunnel to meet its design requirements until it's finished. We anticipate there will be no problems. There may be screen adjustments required at the end. But watershed staff is diligently overseeing that process.

[9:50:46 AM]

We are pursuing settlement with the joint venture to address those elements that are shown. Essentially we consider to be non-value added design at the outlet on fourth and eighth discreet then the cvc issues. There is additional effort required by the city due to delays, rework, the assumption of design issues. The cost of those efforts will also be part of the discussions with the joint venture. As I said at the beginning of this discussion, it is -- we expect and intend to substantially recover the additional costs that we need to cover through the disputes resolution process. I think now that we've laid out all the different pieces I think it's helpful to have a schedule to kind of put them back together. So as we are now, end of April, beginning of may, you can see that a lot of the components of the project are finished. If we look at the top, the Waterloo inlet and park improvements, our work there, the city's work there will

be done by the end of the calendar year. We will turn that property over to the conservancy and parks and rec department. Those activities will extend beyond the completion of the city projects. The fourth street inlet, again, should be completed by the end of the year. As the eighth street inlet will be the longest construction trail going through may of next year. All three of those elements need to be done before the letter of map revision can be submitted and we can get the flood zone redesignated and we expect that will be done not later than may of '18, including the FEMA review time. While it may seem like it's a long period it includes the fact we have to submit to FEMA and get it reviewed. I've include a box for the contract resolution process. My experience in working with Mr. Bowman we're usually able to complete all of those things no matter how complex within six months of completion of construction. And I don't see any reason why, based on that experience, this would be any different. So as I said also before, there are 7rcas before

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council that are necessary for us to complete the project. The three on this slides are the construction rcas. Those include the additional contingency with sj lewis for really the fourth street work and that's a half million dollars. There's also the construction consist with Oscar Renda for the eighth street project, a million and a half increase and we also, in order to settle our delay claims and get him back within the constraints of its contract, is another \$5 million. The note at the bottom of the page shows that we are asking for seven and a half million dollars, even though these changes only add up to 7 million, so that we can have a little bit of extra contingency. These four are related to the work as well. The top one is we need a temporary construction easement for some property necessary to complete the eighth street inlet. That property changed hands over the course of time, and we had to negotiate an extension of the easement about \$120,000. I stated before we want to use the competitive seal proposal method to get a contract to dewater the tunnel so we can do our warranty work and our 1-year inspection. We also then, the final two are related to project funding. The first is for watershed protection to increase appropriations by the seven and a half million dollars and the second is the funding source to reimburse itself from certificates of obligation to cover the costs we're asking for. All those are on the agenda. They all need to be addressed at the same time. And in summary, the work is progressing towards completion of a highly successful project. The work of city staff has been exceptional and diligent, ensuring the delivery of a quality project. Throughout all of the challenges we face we've maintained exceptional relationships with -- to work collaboratively on addressing those items that have come up. As stated we expect to substantially recover the

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additional funding that we've requested and we need your concurrence with these items on Thursday to keep the project on training. On track. With that we're here to respond to any questions that you might have.

>> Tovo: Councilmember Renteria.

>> Renteria: Yes. How much -- how much is the total project going to cost?

>> The total current estimate is just a little bit over \$159 million, but that does not include the \$4 million sale of the property on fourth street which we've used for the tunnel access. So if you net that out, it comes out to 155 million.

>> And there was also -- that's not including approximately 3.25 million that was spent back in, say, 2001 time frame to develop the preliminary engineering report so a lot of times when you hear dollar amounts for the project it's really coming out of the financing plan, which was a day forward document in 2007, 2008, and so just a reminder that we spent about three and a quarter million right after the bonds back in '99 were passed.

>> Renteria: And the tif, when did that start?

>> The tif was sustained in 2007 as the base year. And so it runs from 2008 to I believe 2028.

>> Renteria: Okay. And you said that you're -- you're going to have 28 more acres of development land that -- land that can be developed?

>> 28 acres, over 28 acres of land that was previously in the floodplain will be coming out.

>> Renteria: Will that be part of the tif also?

>> Yeh, those properties for the most part are all within the tif district.

>> Renteria: And how much you do -- do y'all estimate how much tax money that y'all are

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going to recover here in the 20 years that --

>> I know that for the last seconds economic analysis that was done I believe in 2011, the estimated increase in property valuations within the tif district was on the order of 2.5 to \$2.9 billion. So based on that valuation I'd maybe have to turn that over to the finance depart, but that's a significant amount of money that for 20 years that increased valuation will kick off taxes to pay for the tunnel, but once that tif dissolves and the tunnel is paid off, all those monies will flow back into the city covers.

>> Renteria: Pretty much this is going to pay itself back, the tunnel development? Thank you. And I know it's just offer the subject here, but have y'all looked at shoal creek?

>> We actually have some funding and are -- in our capital budget for this coming year to start looking again at shoal creek. We're working with the shoal creek conservancy and a lot of stakeholders. I know the last time it was evaluated there was some discussion of a tunnel as well, and we just want to revisit that and make sure that we're not leaving any solution off the table, that may or may not include a tunnel.

>> Renteria: Thank you.

>> Tovo: Councilmember Zimmerman.

>> Zimmerman: Thank you. My engineer side loves these kind of big projects. They're very cool. By only concerns are, you know, the money, completing it, time and on budget and as you say they are complicated projects. So they're very hard to manage. Very hard to estimate correctly. So I just asked my staff to look up the last time this came to us. I think it was June. About June 18 of last year.

>> That's correct.

>> Zimmerman: And there was a \$6.2 million request which I think we approved. How does that fit into what we're looking at today?

[9:58:48 AM]

>> The funding that was approved last June was used primarily for two purposes. The first was to fund the deconstruction of work that had intruded into the capital view corridor, and then the remainder of it has been used to settle the lake lands. That's --

>> Zimmerman: We had some additional claims here, don't we?

>> We do. At the time we came to council last June, we had not yet really -- I don't want to use the word "Perfected" because that has legal implications but we did not at that point fully understand or have sat down with Oscar Renda on their delay claim. Since that time both our staff and Mr. Bowman have done a it wouldn't analysis of what their additional claims are, including the inefficiencies due to construction but caused by the delay as well as their actual extended overhead. They had a -- an original amount far in excess of what we're asking for and we're able to come to a good-faith conclusion of that claim. So that makes up \$5 million of what we're asking for. Again, we still have to go back with the joint venture and address responsibility for the cvc issues which have caused the -- primarily caused the claim. The rest of these are issues that have come up during construction that relate to design. Again, we feel that there are some non-value-added components that the joint venture should be responsible for and we will sit down with them in good faith and negotiate responsibility for those, both the costs and the related

>> Zimmerman: So the CDC, the construction delay claims, that's when the large company with the huge overhead, right, of capital equipment, machines, what have you, and infrastructure, they set up on the job and they're ready to go, the clock starts, ticking, right? Every day the capital equipment sits there, it costs

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them money. So is the allegation that the city deliberately did something that slowed them down and then cost them money, because the equipment sits there and they can't work? Is that their claim? Because the city's imposed delays?

>> Their claim is composed of both the cost of keeping equipment on-site. The overhead amount on that work. There is a much more complicated issue to address. That is inefficiency. That is to keep the construction staff on-site in the environment that exists in Austin, you are afraid you can't keep people back, they had people doing work related -- you could say they had more highly skilled people than was needed to do the task. The intent was to settle quickly, finish the construction, it took longer than we anticipated to get the design redone. From the contractor standpoint, their allegation is that they were injured, they were harmed because the city took the long time to get them the revised drawings and we directed them to keep staff and equipment on-site. That's the basis of their claim.

>> Zimmerman: I guess the question is for council to consider, but the risk or the concern is that there's not another meeting in April of next year, hey, we only need five million more dollars to finish. I feel like back in June, I thought this was -- you know, this was going to finish it up, and after we get done, the lawsuits will start. It's not uncommon, right, for a large project to get finally done and then there are some disputes that get settled in the civil courts, disagreements. That's not -- those things can take calendar time, that's ok. We got the project done, we're on our way.

>> What I can offer,

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councilmember, is over the last eight years, when those things occurred, we

normally settle them fairly quickly and normally settle them for a fraction of the original amount, that is through good preparation and sound legal advice. Where we are now, versus where we were last year, is at that time, we did not have the complete scope of work with Oscar renta, primarily worked out. That would require a redesign effort that we have gone through. The goal is to get renta back within the constraints of the contract so we have them with a hard and fast completion date against which we can measure damages and that they have committed to complete the work for this amount of money. From a risk standpoint, we're at a stage where we're no longer underground because the biggest risk is always when you can't see what you are doing. In other words, what you don't know when you start. So at this point, a lot of this is a cost that has already been experienced and we have sat down with them and have negotiated a path to completion. That doesn't mean that after completion there won't be final council action to wrap things up, but we are confident that we will not be back to ask for more funding during construction.

>> Zimmerman: Ok. Final question, then, I guess. Would there be -- this might be a question for Austin legal as well. There is a difference between the allegations that would be decided by a court and facts. Technical facts. Regarding, you know, the project. And my frustration here is always that I feel like I don't get the facts from both sides. So would there be an objection to us hearing from the contractor and have a conversation where we can just try to put the facts on the table and get both sides to have their opportunity to present facts.

>> I will let Gordon address it. Again, I want to stress that

[10:04:52 AM]

we have reached a negotiated final amount with Oscar venta.

>> Zimmerman: Again, I thought we had a final amount in June last year. Is it final-final, the next-to-final or the final-before-the-final?

>> Am I on? Good question. But it is a hard question to answer. We do have a negotiated change order settlement with Oscar renta for the cbc impacts, those are -- that's the major claims on this entire project, in terms of significance in dollars. We're going -- we're in the position, if this funding is approved to be able to work with the joint venture and share responsibility for those costs. The contractor is I don't think in a position to come back and reopen its entire case to try to establish its position. We have done that through the legal proceedings for alternative dispute resolution in the contract and we've got stacks and stacks of calculations and we've tried to make sure that all of the issues that were addressed were consistent with the provisions in the contract, and I think we're in the best position we can be. There -- the contractor, on the other hand is in a position where it feels damages are not being met. It feels it's not in a position to continue. Bee can go into executive session to discuss details.

>> Zimmerman: If that is ok, council, I would like -- if I can hear from the contractor, about the change order

[10:06:54 AM]

supplement is ok with them and not coming after us for more and more and more money.

>> I don't want to say too much in open session, but as far as the capital viewquarter issues go, the proposed change order that we have with Oscar Renda, finally, fully

settles all of those issues, puts them back into a contract where, you know, their responsibility, from this point forward is to simply complete the work.

>> I do want to add that Oscar Renda has been an exceptional partner to the city during this process. There were times they could have stopped, walked off the job. They worked with us. They have come to us in good faith, they have agreed as Gordon said to a final settlement of their claims.

>> Zimmerman: I appreciate that. I would like to see the city do more of these high-tech projects. So I want to get to a point where we can build trust and confidence with taxpayers so the next time we come with some really cool technological project they will trust what we tell them and won't balk at the Numbers. Publicly, it started at 25 million, I believe, back 15 years ago or something. Of course, that was ridiculously optimistic, but the point I'm getting at, if we can build trust that we can deliver stuff on time, on budget, that helps taxpayers have confidence we should approve it, because we can get it done the way we said it would. I don't want to ruin our reputation with the constituent.

>> I think there is a good track record of the city delivering on time, within scope and on schedule. Unfortunately, every now and again, something happens. I think the manner in which staff handled this does keep the faith with the public, understanding nobody likes to see things cost more than they initially said they would.

>> Tovo: There is a request to

[10:08:55 AM]

go into executive session. We're down to about half of our group. We certainly could.

>> Zimmerman: Thursday at lunch.

>> Tovo: If you have specific questions you want to submit them through the qa, and if there is still information you're lacking, consider it on Thursday.

>> Zimmerman: Good idea. I appreciate that.

>> We'll be happy to look at those. Stof toft that wraps up the items related to waller correct, which leaves us with the item related to mayor Adler. Since he's not here yet, since nobody else wants to talk about it, anyone else want to talk about item 19? Let's not conclude. Let's talk about Thursday's agenda.

>> I want --

>> Tovo: Anyone want to talk about item 19 at this point? My guess is that will probably end up being pulled on Thursday by mayor Adler to have the conversation that he had envisioned having today. I am told that concrete -- that our staff intend to postpone -- request a postponement for the concrete pour, I can provide more information about why. As I understand it, there was a commitment to do -- there was a commitment to do a sound study, which had to be delayed a bit, and so that delayed some other things and so there will be a cancellation of the small group meeting that was initially scheduled for tonight and that's the reason that our staff are requesting -- will be on Thursday requesting a postponement for concrete pour. Councilmember pool said she will likely pull the wildfire resolution with some potential amendments on Thursday. Councilmember kitchens.

>> Kitchen: I have a question about 47. [Microphone not on]

[10:11:00 AM]

Sorry. I have a question about item 47. I wanted to get some clarity on the process

there. That's a briefing. So there is no action. What is the process in terms of testimony from individuals? Is that allowed? I'm trying to remember.

>> It is not on the briefing. Just a presentation to the council.

>> Kitchen: Is it possible to schedule that for a time certain in case people want to watch.

>> It is scheduled for time certain at 2:00.

>> Kitchen: It's not down for 2:00 on my agenda, but that's great, if it is.

>> Are you talking about item 47, at 2:00? Briefing on planting development?

>> Yeah, it doesn't say 2:00 here. I'm sorry. I'm looking at the work session agenda. Ok. It is scheduled for 2:00. Great, thank you very much.

>> Tovo: That is the initial briefing from staff for the planned unit development. And then that's -- Mr. Mr. Grunsky.

>> That is a briefing at 2:00, not a public hearing. Sometimes the applicant will bring forward a presentation that might give an overview of the project. We can consider general questions. It is council's opportunity to take a preliminary look at the pud. If there are things that council feels are important that you want the staff or applicant to explore, that is a good time to express them.

>> Kitchen: Ok. I have been contacted by neighbors in nearby areas, and so I'm wanting to understand what their opportunity is to provide feedback and have their questions answered, so that's really what I'm trying to understand. So I'm understanding that on Tuesday, there is no opportunity for them to speak, but perhaps we can talk about other opportunities for them to provide input in this process?

>> Right. With any zoning case, they can always contact the case

[10:13:01 AM]

manager. Once the case is filed, if they own or are a utility customer within 500 feet or part of the registered neighborhood organization, they should have received a notice and can contact the case manager in my office and get additional information or provide comments that we can give both the council and planning commission.

>> Kitchen: Ok. They can provide written comments we can all have for Thursday. There is just no testimony?

>> That's correct.

>> Kitchen: Ok. Thank you very much.

>> Tovo: Item 10, Mr. Grunsky, you are seeking a postponement for a concrete pour.

>> That's correct. I sound like a broken record. A local developer has a building going up right now and worked with the economic development staff and was going to have a kind of a proposed enclosure around a concrete pump, and to try to mitigate some of the noise, of the concrete trucks. They were supposed to go out last week. That didn't work. They were actually supposed to go out early this morning, and that didn't work. They are actually going out tomorrow, and I had to schedule a small group meeting of some folks to talk about the results of that. So needless to say, that won't happen. I canceled the meeting. I'm asking for a one-week postponement. I will probably bring back two items. I'm going to try to reschedule another little meeting for next week. But I will probably ask for an extension so those folks can talk. Neither side is very happy with the staff proposal. The neighbors, I think, still have concerns about noise going past 10:30 or 8:00 at night. And the development community still has concerns about controlling sound on the property. So the upshot of both of those, there were some at the last larger meeting that I had that they may actually agree.

[10:15:02 AM]

So that's why the reason we're asking for the postponement this week.

>> Thank you, Mr. Grunsky. Since you raised that level of detail. I will say council it is time to make a decision. We can continue to ask the stakeholders to meet. We have been telling them to ask a year or two years. It is time to make a policy decision. Thanks for the additional work that our amazing staff will do. I hope it comes back to council and we resolve the issue. 10 is a postponement request. 16, councilmember pool intended to discuss and potentially make some amendments about the wildfire resolution.

>> Mayor pro tem, I was asking as she was leaving. I did ask her if she would consider posting the amendments to the message board since we've had lots of conversations it is nice to give everyone a chance ahead of time to look at those.

>> Tovo: We will look and see if the discussion continues there. 19 is again the aid item I anticipate the mayor might want to pull for Thursday. 29 to 30 is a request for postponement. Any other? Items others know they will want to pull for Thursday so we can think about estimation for conclusion for our contest?

>> Casar: Item 23, which was tricky and contested zoning case, I got word yesterday that we have gotten to a place where everybody can agree and live with it. That one should move forward with it.

>> Tovo: Great. Anything else? Ok. We stand adjourned -- councilmember Zimmerman.

>> Zimmerman: One other quick thing. I will have to leave town to head to Dallas. I think there is a district 6 zoning issue. I would like to get that done sooner instead of later. Depending on how long the meeting goes, I may have to

[10:17:04 AM]

leave to head to Dallas. Just FYI.

>> Tovo: Do you know which item it is? Is it on the 10:00 agenda? Maybe we'll be done with it before noon.

>> Gallo: We may pull item 22. It is my understanding Chuck was not able to be here today. So we posted some of the questions on Q&A, but it may be that having staff there to actually respond to some of the questions would be helpful on Thursday.

>> Zimmerman: It is item 38, it looks like. **Item 38?**

>> We believe that will be offered as a consent.

>> Zimmerman: Thanks.

>> Tovo: All right. Ok. We stand adjourned at 10:17.