

City Council Work Session Transcript – 08/16/2016

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>> Mayor Adler: All right. I think we're six people, so we can go ahead and start. Before we start the meeting, I notice that Jackie Sargent is here. Jackie? There you are. Welcome to the city. Best as I can tell, everybody you've been on this job so far you've like settled years' worth of disputes. I can't wait to see what happens today. [Laughter]. I assume that by this evening the fayette plant will no longer be operating. [Laughter]. I'm just excited for the day. Welcome to Austin. It was a real good job by your staff yesterday. Okay. I'm going to call to order the meeting today on August 16th. It is 9:20. We're in the works room at the -- boards and commissions room at the city of Austin, 301 west second street. This is our work session. A couple of housecleaning matters. Yesterday or Friday the city manager announced that he had taken kind of a -- he's moving upstairs to an international office, and we wish him obviously the best with that. Great things happening in the city. He deserves a lot of credit for those. It does mean that we now have to take a look at what happens next. We're going to hit that at a really high level today. Since it's literally within 48 hours of working days since we got that news, but just to touch base on it, I put it on the agenda twice. I put it on the agenda both for executive session today as well as for, again,

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article, really high level discussion or conversation publicly. I want to have the executive session first and I want more people to be here for that, so I'm not going to call that item until lunch when we'll do the executive session and then right after lunch probably we'll come back here to visit that one issue because I think there's a lot of -- obviously a lot of interest around the community. Don't anticipate us deciding anything on this today, but more just having the conversation and identifying issues more than anything else and to let the community know that we're engaged on the subject. So we'll do that. We have the opportunity to do work if we wanted to on the concept menu. As I said last week, I thought it would be best if someone were going to be moving to take things off the concept menu to post notice on the bulletin board so that somebody would have some advance notice and they wouldn't just be walking in to find that. But now that we have advanced into this point, we've had a chance to -- I think staff is wanting us to look at that concept menu and see if there are things we can move up or move back. So Ed is available for to us call him if we want to call him, otherwise I told him he didn't need to sit here, but I think that staff is asking us to take a look at that concept menu. So if not today, since nothing has been posted at the budget work session tomorrow, if someone has posted something, maybe we can do that, or on Thursday. So I think we need to take a look at that. All right. That gets us then to

where we are with respect to briefing as well as the pulled items. On the pulled items, Ms. Houston has also asked us to take a look at number 17, 39

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and 41, and also number 71. I'd also point out for the council that we have obviously -- this week we have to do the third reading of the ballot language for the bond, and associated with that is a resolution. Our office and kitchen's office and Greg Casar's office and legal staff are making nicks, after talking to bond counsel about the resolution that was posted a week ago. So I anticipate today there will be another version of that posted having gone through that review. My hope is, my expectation is that we're all going to be in agreement on language that we're recommending to our colleagues. But you might want to look at the bulletin board today because I would anticipate another iteration today to be posted for Thursday's consideration. All right. Let's go ahead and do the briefings that we have this morning. The first is the wireless communication policy and procedure briefing. >> Garza: Mayor, can we also pull 25 and 75. >> Mayor Adler: 25 and 75. >> Garza: Thank you. >> Good morning, mayor and council, mark Washington, assistant city manager. I'm here joined today by

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rondella Hawkins, our telecommunications regulatory officer. And also our chief information officer. Today we want to update you on our wireless technology briefing, and I begin with a slide that speaks to the evolution of telecommunications in general. You can see the pictures above showing the progress from the wire line phones, land line phones that were used a long time ago until the evolution of smart technologies and wireless communications, and what we've seen is a trend for communications to become more adaptable and convenient for users, the public, and to allow not only for telecommunications, but for data processing. The the reason I share that with you is because much has been focused on the user end and what the users experience. But the pictures beneath show the evolution of the infrastructure that enables the supporting technologies. And you'll see the picture to the left, the wire lines in which telecommunications companies would have to attach wires to enable technology until the evolution of the large cell towers. And the reason why we're here today is because even as the technology has evolved, so has the size, compactability of it. Today we want to talk to you about what you perhaps have been getting inquiries regarding attachment of small cell technology, wireless technology, to the city's infrastructure. We've is shown a picture on the bottom right of a possible wireless technology attached to a street light. As I mentioned before, there is a growing utilization in cell technology and particularly in small cell technology. We're seeing other communities beginning to

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use their city right-of-way and city infrastructure to enable that kind of growth. It does provide more flexibility than the traditional large towers because it can be in places where there are disruptive communications and further enable users to communicate better on their technologies and we see the commercials often on television advertising the effects of dropped calls. But also the small wireless technology enables more esthetically pleasing infrastructure to be used in the environment. And it definitely improves the signal for users without using as much power. Again, today we want to give you an update because we know that many companies have been inquiring about the use of the city's right-of-way and infrastructure. And today we'll talk about that potential change in the downtown area because of the large events such as south by southwest and acl when we have events of that magnitude

there's a lot of density and a lot of demand for wireless technology and that's one of the areas of concern that have been presented to the city about assisting and improving that capability. And we want to talk to you about a strategy that several departments have been part of an interdepartmental group that has been reviewing this issue since the earlier presentation to the public utility committee back in January of 2016. We were anticipating to go back to the committee?

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September, but there have been several requests for an earlier presentation, so for that reason because of that and other interest from other councilmembers we thought it best to brief the entire council today. So with that I will turn it over to Ms. Hawkins. >> Thank you, mark. Good morning, mayor and council. Thank you. As mark explained, there is an ever increasing demand for wireless enhanced services, data services, which is driving the demand for additional infrastructure to support the growing usage and increase data speeds and enhance area coverage. We live in a network mobile society. We have our smartphones and mobile devices and expect to be able to upload and download heavy data and applications on our mobile devices. As mark mentioned, multiple companies have contacted city departments requesting use of the public right-of-way and city infrastructure for siting commercial communications equipment for outdoor wireless systems, which are fairly new technologies that extend microphone and data services where the traditional larger macro cell towers are unable to keep up with the demand. The wire line companies, the telephone and cable video companies, are accommodated in the right-of-way under state law. Companies, AT&T, charter communications, which formerly Time Warner Cable, and Google fiber just a few. But there are no current city policies that facilitate access to the right-of-way and city infrastructure for wireless antenna systems. By way of background, these systems can include attachments to electric distribution poles, to street lights, traffic signal and other traffic management poles. Can include installation of new standalone poles. And there's also a fiber that's connected to this infrastructure for the back hole. The components of a system, radio receivers,

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these radio antennas, power supply and control boxes that are mounted on the pole or placed on the ground. And this is in the earlier slide, this is a traditional wire line install and we -- the communications lines are circled in red. And here's a couple of picture of actual installations and we've circled the antenna on top and the control boxes on the pole. So to address these pending requests, back in January the city manager created a group of departments to develop a consistent city-wide strategy. We had a team of 15 city departments that all came together to consider options to establish a citywide approach to wireless equipment in the right-of-way, to build a strategy and policy and processes that positions Austin for a smart city, internet of things future, look at our infrastructure, ensure reliable, ubiquitous citywide wi-fi and wireless coverage. We have efforts to bridge the digital divide and we have the free public wi-fi system that we would like to extend and upgrade so we can continue to bridge the digital divide and also generate revenue for the city since this is public right-of-way and we can use for rental of our right-of-way and assets. The work group engaged with companies that had previously contacted the city, and you will see the companies up here on the slide. We did -- following the initial meeting with the providers individually, we did provide updates to them, whether it be meetings or email updates, and recently

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city management met with providers to outline our recommendations back on July 29th. Besides meeting with the companies, the group obtained additional input from city departments to learn more about what are pole attachment considerations, public safety, design standards and great streets design for the downtown area. We have a master plan that was adopted. Procedures relating to licensing, permitting and franchising and also to learn more about smart city efforts and public wi-fi. Photography the group conducted research on nine cities, including Dallas, Houston and San Antonio, and found they all use the form after master license agreement. The range of the -- the term can range between five to 25 years. The application fee per site installation is 200 to \$750 per site and then the right-of-way rental and facility usage fees range between 1200 to 4,000 per site with one company paying five percent of gross revenues. So based upon meeting with the companies as well as internally, several findings of the task force -- of the working group were identified and the majority of companies identified the downtown area as far as the great need because of the festival, south-by, acl, and in evaluating options for these network components, the only viable option for the downtown area is the downtown signal poles. Austin does not have any -- excuse me. The Austin energy electric distribution network is underground. There are no above ground poles. The great streets street light poles weren't designed for the installation of wireless equipment and new standalone wireless

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communication poles are incompatible with the great streets design. The group also explored options to help reduce the digital divide. We looked at the need for expanding the existing public wi-fi mesh, which was installed back in 2006, and is in need for expansion and upgrade. We spent a lot of time looking at the smart city initiatives and great streets program. Better wireless service in the downtown area will help the city achieve these improvements. And several providers expressed interest in expanding wireless service in city parks that host major events and state law limits the use of parkland. The city's current practice allows temporary mobile use during major festivals, but not a long-term use. I just wanted to show you a picture of what -- this is a picture of the great streets street light pole located right outside of city hall. It's a standard for downtown. And I thought you all would like to know what these temporary installations look like at the park. This is a cow. It's cell on wheels. So if you hear the term wireless cow, now you will know. [Laughter]. There are multiple public interests considerations for the physical placement of these networks, which requires a careful balancing by the city as stewards of the public right-of-way, which is a very valuable asset, and it has limited space for installation of these networks. We want to preserve public safety and welfare, minimize the disruption from construction, installation and work in the right-of-way. Continue implementation of our great street street initiative to reduce the visual clutter on city streets and sidewalks. These systems require repair and maintenance and we want to ensure

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that accessing them is done in a safe manner. And for the workers as well as for pedestrians and for those driving a vehicle. It includes flexibility to anticipate changing technology for continued innovation. As mark said earlier this equipment -- it's constantly evolving. It's getting smaller and smaller, but I think as the wireless demand increases, the need for these antenna systems will increase, so there's -- we want to allow for innovation. So based upon the findings and staff will employ a phased approach to address wireless capacity and coverage beginning in the downtown area as a pilot in phase one and then phase two for looking at areas outside of the downtown area. And the downtown geographical area is the great streets master plan boundary which runs mlk to Cesar Chavez, I-35 to Lamar. Using our traffic signal poles, small cell technology, and limiting the installations to two traffic signal poles per city

approved intersection. And the reasoning behind that was to minimize the clutter and maintain future infrastructure availability for the city and other projects. And the pilot being a short-term three to five years with possible extensions. There is some additional expertise that we need and staff has retained a consultant to provide knowledge on engineering design of the equipment and infrastructure design. And will bring us recommendations regarding the terms of the pollen attachment

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agreement and right-of-way agreement, and assisting with specifications and design standards as well as usage fees. We're expecting the report September 29th, and I wanted to note on here we will be -- these are -- the times where staff will -- following the adoption of the ordinance going to council, we anticipate then the staff will develop and adopt administrative rules and that will allow for a public comment period in the form of license agreements, design standards and guidelines and permit requirements. And as far as the code amendments, we're looking at specifically chapters 14-11 and 15-7. So we asked the companies just to provide us some photo simulations of installations on traffic light signals, and just a couple of pictures. This is on a pole. You can see at the top is the antenna. >> Just to reiterate, these are different options, not necessarily givens. >> Yes, thank you. These are just examples. Of what the installations would look like. >> And if I could, Rex Miller, director of transportation. One of the options we said is could they mount the control box on the poles? If you could go back to the previous one for a second. This one shows one example of where the box that would hold much of the equipment would be, and the upper one is the antenna. And you can see it doesn't affect the signal management. The placement of the box above the pedestrian head is to make sure we don't have basketball

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players hitting their heads on the equipment. >> This is just another view. >> So the other option is to put the control box on the ground much like other signal boxes or whatever, and then fit that in within the street furniture zone. So we'd be willing to entertain that as we go forward as well. From a signal perspective. This gives just an example of an art box opportunity, and so we are doing a pilot on south first right now, I believe, where we are going to be wrapping a number of our signal pole boxes with commissioned local artists through the arts in public places, and so you could extend that downtown to doing either faux art to hide the box or decorate the box with a more artistic approach. So either one would be okay. These again are just before and afters just again to show what this technology might look like on existing signal poles. This one at San Antonio. So they tend to fade into the background and not be very visible. That's one approach. The other approach is to redesign the top of the signal pole to make it look like it's part of the signal pole, and that's the antenna is where you saw the barrel on top of the signal pole. >> Thank you. So looking ahead at phase 2 -- for phase 1 using this phased approach we addressed the area as having a great need for improved wireless. It will focus on

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installation and on a defined area for infrastructure. And based on the outcome and procedures and lessons learned in this phase one will be better positioned moving forward in phase II to evaluate and consider licensing use of poles and right-of-way in other areas. Austin energy is currently updating its wire line attachment standards and developing new pole attach. Standards for wireless attachments with the assistance of outside engineering consultants to be ready for phase 2. And we also want to improve community benefits for underserved areas and expand the city's efforts to provide technology

access and skills training, and we'll be able to evaluate the availability and demand for public wi-fi in underserved areas of the city and consider expanding our network. Because internet connectivity is essential, it's a vision of our digital inclusion plan that all of our residents have access to the educational, employment, health care opportunities, transportation options and city services available. To them by being connected. So in phase II we will build on our community engagement efforts to better understand the needs of areas outside of downtown. And we'll be happy to address any questions that you have. Thank you. >> Zimmerman: Thank you. Has Austin energy really dug into this technology yet to understand some of the technical details like signal attenuation? If you have a pole that's next to a tree or dense vegetation, as to how that affects signal distribution or is that what you hired the consultant for? >> I think that speaking on behalf of Austin energy, Susan? >> Good morning, Susan gross, I'm the support

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services manager for the electric distribution group within Austin energy. And I was a member of the task force. And to the question about studying the various types of technology and the possibility of interference, the consultant that's been hired by the city will be looking into possible interference concerns. I believe that the licensing agreements will cover the topic of interference and give the city rights to interfere or -- >> Zimmerman: Or to not interfere? >> Correct. >> Zimmerman: Who is consultant that we've hired? Who is the expert? >> I'm sorry, the consultant that is assisting Austin energy is TRC, and they're a large, well-established engineering firm that has helped us establish standards. Those are still in draft and won't come into being until the city makes the determination that it's appropriate to go on to phase II. The city has hired a consultant to work with the transportation department to look at engineering and safety concerns associated with traffic attachments. >> Zimmerman: Okay. I have a whole bunch of questions, but my first one is I was on the public utility committee. I thought we were -- I thought we asked for a time 39 have this ready for -- time 39 have this ready for south by southwest in 2017. Is that the expectation here that we'll have these new cell networks and the new capacity for wireless ready for south by southwest this coming spring? >> I think going back to the slide that Ms. Hawkins indicated on phase one, if you can back it up, I think that's the intent. If we have the council approval of the

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ordinance that would allow us to use city right-of-way and regulate fees, they could certainly begin applications this fall. And from what the providers have told us, they need about three months' lead time to get ready for the installation and to have it in effect. >> Zimmerman: Okay, thanks. Mayor, I'll be back. I want to [indiscernible]. >> Mayor Adler: Yes, Ms. Pool? >> Pool: The wireless cow; that something that can be wheeled in to help with access during the big festivals? Am I understanding how that would work? >> Yes. Those are currently used. Parks department grants a license agreement for the companies to install the cows during acl or other large festivals. >> Pool: That's great. >> If I can add to that, likewise they can be used downtown and we do have mobile cell sites set up during south-by by the different companies to supplement their own services. >> Pool: Right. Is that something too that we could move into parts of the city that don't yet have -- that we haven't actually wired that maybe can help supplement pushing our access and the speeds further east, for example, when we talk about digital divide? Or do you have to have a cell tower kind of within a certain range in order for the cow to work? I don't even know if I'm making up a bad question or a good one. >> That's a good question. As I believe was stated the area of greatest need is downtown because of density. And there have been a

few other areas that have been identified by the careless companies as having need, but -- the wireless companies as having need, but the downtown area is the most dense and I believe

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in festivals that cows are used as well in downtown area. If there's something that comes up in the immediate future, there are extensive cell towers throughout the city that take care of the coverage needs in other areas, and really from a public safety perspective in terms of getting cell phone coverage and getting calls in to 911, that really was not identified as a need in the city. I understand that the safety concern is really not a serious concern at the moment. >> Pool: Okay. So that was the driving organizational point on it was the public safety. But, for instance, if we were to move a large festival or have a new large festival and it were at Decker Lake, for example, then we would be able to enhance the coverage by using the movable -- the cows, the cells on wheels? >> Correct. >> Pool: And then the last question I had, the small cell technology, could you really quick explain that? I know that this is an issue that is the subject of some legislation up at the state capitol and we've received letters asking if on support from members of the Travis County delegation. >> Certainly. So I believe that the legislation is interested in, I think, all cities deploying the small cell networks for enhancing wireless services. Small cell is a distributed antenna system and it's the components in which we showed you the antenna and then the components -- the control box and then there will be a fiber connected to it, and it needs electricity as well. So they're placed, you know, in an area and downtown, for example, and that's just to boost the service. >> Pool: Okay. So the small cell is basically a different term for what you've been describing to us here today.

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Okay. >> The terminology, it's referred to as small cell, it's referred to as distributed antenna system, but it's small cell. >> Pool: Okay. Thank you. That's really helpful. That's all I had. Thanks. >> Mayor Adler: Ms. Houston. >> Houston: Thank you, mayor and thank you for your presentation. I need to have somebody talk to me about security for cell -- small cells. How is -- do we ensure that these are safe and people -- people are hacking into a whole lot of things now. So talk to me about what the security precautions will be. >> >> So the security >> So the security would be maintained by the providers. This is not a city owned device. These would be the same level of securities as the cell towers, so I think we would rely heavily on the partners, the sprints, AT&T's, the Verizon to provide the right level of security to make sure that their customers are having a secured experience. >> Houston: So that would be in the license and fee, all of that, the -- the connection to electricity, the attachment to the poles, all of that would be included in the fee? >> The terms for attaching to poles would be contained in the pole license agreement that the provider would have with the traffic department. There will be provisions that put the burden on the carrier to provide maintenance, security, maintaining the facilities from time to time, and then there's a master license agreement as well that has terms for the use of the public right-of-way. So the burdens will be on the carriers to maintain and to have adequate security in place for those facilities. Certainly in the downtown area they will be prominent

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installations so there will be quite a bit of visibility for those installations and we believe that that's a deterrent to folks taking action to damage those facilities or to hijack those facilities. >> Houston: And on the slide on page 27, you talked about the decorative model, who would pay for that, the decoration on that? >> As part of the license agreement we would expect either them to -- the companies to pay

for that as part of their annual upkeep, or if it is a city-sponsored program, again, we have a system set up where it is basically a wrap much like a bus, so those wraps are polyurethane wraps that can be removed if they're graffiti and new ones put on. >> Houston: I would like to encourage whatever we do that be on the provider of the service and not on the city, even though we do have art in public places, I don't think that's our responsibility. >> Okay. >> Houston: Thank you, mayor. >> Mayor Adler: In fact, I think in some cities they take those and actually use them as revenue generating. I think Portland does that where they use it as a place to be able to give someone the opportunity to express a message and charge for those. I don't know if we've ever looked at that. I'm not introducing that subject now, just raising that. Just real fast, I think that we've all been contacted by lots of people interested in this issue. In fact, going back to just prior to south-by of 2016. And the questions that I think we're getting -- and it's unusual for us to get a letter, as my colleagues said, from our colleagues at the state lawyer urging us -- state legislature urging us to act. And this is getting a lot of attention in a lot of places.

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I think the expectation is that we would have this in place to be able to have folks be up and running by south-by in 2017, and I think that if you could prepare a timeline that shows how that happens between now and 2017, I think that would be really helpful. And if you could give that to the council offices, I would appreciate that. That would help us respond to what appears to be the most significant issue. I think that some folks are expressing a concern that based on the schedule that's laid out we can't get from here to there in time. And if we can, if you would just lay that out, I think that would be helping to assuage that concern. They're pointing to other cities that have already laid -- that have already moved forward on this or have temporary plans that are in progress, but I think it would be helpful if you could lay out that schedule so that people could see that in fact it's going to happen by that time, that would be great. Ms. Gallo? >> Gallo: Thank you for the presentation because you're right, we have received lots of calls and requests for appointments on this. So thank you for helping us understand the process. I want to go back to the mobile cows because that seems like an opportunity to provide additional service when we have additional people in a certain area like a festival. And I just want to make sure that I understand how the cost of the mobile cows are paid for. Is that a cost that we're intending the city to pick up? Is that a cost that the festival producers would pay for to have that additional service? Is that something that the hotel tax can pay for? >> You know, the service that's being provided by these carriers is a money-making opportunity for the providers, so clearly that burden and that expense should be on the providers. The city does not bear

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any cost associated with setting up the cows. It's the providers that -- >> Gallo: I appreciate that. A lot of times we start that way and all of a sudden what we realize is that we've slipped into something where the city is providing the cost for services that really should have been somebody else's cost. So thank you for clarifying that. >> And councilmember, if I may, we actually receive temporary right-of-way fees. They come and get a permit, either the festival or the individual cell provider, and so those go back in to our right-of-way funds unless waived by council. >> Gallo: So that would pay any city's cost involved in handling that, but also hopefully is a little bit of an income provider for your department? >> It's a lease of right-of-way. >> Gallo: Perfect. And it looks like there were nine companies, potential partner companies that were listed here. So how do you -- does every company have the right to use an existing pole in the negotiations that you'll be doing? Or are you going to be in a process of determining that certain companies can use certain poles? I'm trying to understand is this a preright or is this a right that all the companies will be able to have access to or will your department be choosing the companies that

-- >> >> First of all, there's a limited must be of poles and I'm sure we're going to find some intersections are desired by multiple companies. The consultant will be recommending a way to choose who gets to use a specific intersection, and that can go everything from we'll draw lots, put every company name in the hat that wants an interpretation and -- intersection and pick which companies get the privilege to contract with us or pole attachments to, you know, a variety of other technologies or distribution ways that we hope the consultant will

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recommend to us. You know, how they've done it in other cities. I know other cities have drawn lots, basically, for who gets a prime position. >> Gallo: So there's not an ability to have more than one company having access to one pole? >> Yes, there is. It's just a matter of when we get into that design process, figuring out how many we can physically put on one pole, and, more importantly, how many do we want visually on one pole before it starts to interfere with our ability to operate. You know, that extra space that we're giving up, although we're not using it right now, as I pointed out, it might be usable for signage in the future if we need to do other types of signage and so forth so that's really a balancing act that we have to work out. >> Gallo: But it also puts the city in choosing particular companies over other companies, and I want us to be -- I want to make sure that we're very careful in that conversation because if we have the ability to allow all the companies to have access to the poles that we have or the ability to install additional poles at their expense, that's more equitable conversation, I think, and that's some of the concerns that I think have been expressed to the office about the inability of certain companies being able to have access to wireless. So I hope that we can find ways. I hope technology will get to the point that the actual room on the poles is very small and so that we do have the ability to have multiple companies accessing the same polls if they choose to do that. And the visual of the poles, my guess would be that the community would rather have access to mobile wireless services than a pole that looks really pretty. My guess would be. So, anyway, thank you for those. I don't think -- I think that went -- but there is an ability for standalone poles. Could you talk about how that process would work, if you

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have an application from a company that came in and said we would pay for the cost of our own pole? Is that going to part of what the consultant address this is. >> Actually phase one is very limited. It will be just for traffic signal poles that attachments will be allowed. The great streets standards are trying to limit the amount of clutter that are on the city streets, both for access reasons and visibility purposes. You know, now nine companies sounds like a lot of companies but there's really four major carriers. Some of the companies that the task force spoke with are actually known as neutral host providers so they aren't actually providing their own wireless service. They're setting up installations on behalf of another carrier like AT&T or sprint. So we believe that the intersection poles will be adequate in order to provide coverage, additional coverage for all the carriers that will be interested in downtown. These installations are actually very expensive so we don't think there's going to be such a proliferation of installations that we won't have space just by utilization the traffic poles. >> Gallo: But if there was not room on a pole that more than one vendor, more than one company was able to put on, where in the process do we get to that they at least have the option of providing for another pole, a standalone pole? >> The process is to just allow installation on the traffic signal light poles. There's four at each intersection. For the time being we're just going to allow two on approved intersections. I think that it's going to take quite a bit of time. It's actually a major installation to put these infrastructure in place, so I think that there will be time to study and determine whether additional poles would be

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appropriate, but for now we're not allowing standalone poles. >> Councilmember Gallo, if I may add, so I think what the interdepartmental working group was trying to do was get a solution that was deployable in time for south by southwest, and as Susan mentioned, those other considerations, areas outside of the downtown area or additional infrastructure in addition to the traffic signals, standalone poles are things we would like to consider in the next phase. But to be able to begin the permitting process as soon as possible, we know that we have infrastructure in the right-of-way that we can begin deploying and so that was the reason why the recommendation, it's not to the exclusion of any other solutions, but that was one of the things that we thought was more immediately did he employable to meet the need for south by southwest and other festivals. >> Gallo: Thank you. And I know this is a complicated process, but I just want to make sure, as Bev people in our community that choose providers for certain reasons, that we allow those providers equal opportunity to provide that service throughout our community. And I just want to make sure as we carry this forward that we're able to do that and we're not a roadblock for certain carriers. So thank you. >> Houston: Mayor, I have one more question. >> Mayor Adler: Yes, Ms. Houston. >> Houston: On slide 32, when you're talking about phase two, next steps, when do you think you'll be able to bring something back to address the lack of coverage? In other parts of the city. >> So I'm gonna -- we don't have a targeted date for phase

[10:06:45 AM]

two implementation. I think what we want to do is have [indiscernible] For phase one. But particularly the -- we have talked to all the providers when we met with them prior to this meeting to does them to help us in a partnership effort to create something not only for their customers, but for the good of the public and to help us expand where we already have free wi-fi in parts of our community. We did share the wi-fi map with them, but we have not began to formulate a strategy collaboratively with them, and the other part is with community as well. And so we will need to firm up that timetable for phase two, and so perhaps when we respond to the mayor's request for the more specific timetable for phase one, we will put some targets in there for phase two as well. >> Houston: That would be helpful because, as you know, several of the districts have a very limited or spotty wi-fi coverage, and so -- and they also are customers of these providers, and so I think they have every right to have coverage in those areas as well. So I'd be interested in phase two and when that may be started or when we could expect some kind of report back. >> Mayor Adler: Okay. Anything else, council? Thank you very much. Next briefing is the Austin chamber of commerce opportunity Austin 2016 successes and challenges report. .

[10:09:00 AM]

>> Good morning, mayor, members of city council. My name is Mike Rollins, president of the greater Austin chamber and with we wanted to thank you first for allowing us the opportunity to tell a story about opportunity Austin. And I think in your packet of information we provided our slide presentation, if you want to follow along. At opportunity Austin, let me start out, it's a story about people. It's a story about lifting people, to giving them hope about their future and their family's future. That's really what opportunity Austin is on the bottom line. Our goal today is to provide you a little bit of background information on this initiative. We sometimes need to look back in order to make the wise decisions on a forward basis. Opportunity Austin is designed to create a sustainable economy, increase education distills and execute initiatives that help our community in its quality of life and keep Austin more affordable. The city invests, as you probably know, in opportunity Austin, around three specific

initiatives. One is to fund clean tech initiatives, and we'll talk more about that shortly. Second is to market Austin to the world and, third, is to improve our workforce through education readiness, and we'll talk more about that in a moment. So I will, again, talk about these three areas. First, briefly, about how opportunity Austin got started. Some of the successes through the years, provide some details on our current efforts, and to discuss the program on a go-forward basis. Like all of us, we try to learn from past experiences. Let me tell us a little bit about the story in the late

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'90s and around 2001 through 2003. In the late '90s, Austin as a community was the fourth fastest growing region in the U.S. You remember those times there was 1.8% unemployment, complacency had set in. Then in 2000 to 2003 time frame Austin experienced the tech bust. Some call it the dot com bust I particular refer to it as the y2k bust. In the 30 months' period we lost over 30,000 jobs, some of the highest paying jobs in our community. In addition to countless manufacturing jobs that providing a good middle income to most of our citizens here. That totaled about 1.8 billion in payroll. And we did not have a game plan for how we were gonna rebuild our community. In 2001 alone, 21,000 people were out of work here, lost their jobs, 200 local companies, mostly tech, were forced to trim jobs, close doors, and the devastation rolled through our service and our local economy. In 2003, the city of Austin had forecasted a \$72 million deficit, which was a 15% plus of the budget. City staff created a forecast of services desired and revenues coming in, which became known as the gator graph. And in that, the city manager froze and eliminated hundreds of positions. It's called the gator graph because of the way that it looked with the wide open mouth of a gator. The services and the employment and the revenues didn't match. Worse still we didn't have a game plan on how we were gonna diversify our economy and became very heavily dependent upon the semiconductor industry and of course the fast growing Dell at that time. The mayor appointed a community task force to look at how Austin could become more competitive to bring jobs

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back. The task force made up of citizens throughout our community came to the conclusion we needed an economic development policy focused on recruiting, growing jobs here in our community, cultivating a diverse set of industries that would lead us to recover from the tech bust, help us become more resilient in the inevitable next downturn and we'll talk more about that in a moment. At the same time, the private sector had come together to create a strategy that ended up being called opportunity Austin. It was a five-year game plan how we would revitalize the community we all loved. Remarkably at the end of 2003, everybody was on the same page. In 2004, opportunity Austin launched with a significant goal to regain the jobs lost, to put people back to work, to diversify our economy, to grow our jobs by 72,000 and return the payroll to prior to the tech bust, the 1.8 billion plus grow it by another billion for 2.9 billion. That's the income that is used to support all of our small businesses in this community. In 2005, as history, the city of Austin for the first time joined over 200 plus private sector investors in opportunity Austin as an investor. Targeted investment, which I mentioned earlier, by the city was to recruit clean energy companies to Austin, market Austin to the world as a great place to start a company or grow a company and to improve education readiness for students here in Austin so they can live their dream of having a job and staying in the Austin area. If you -- as you see from this chart, which I have on the screen, the focus effort delivered significant results. In fact we believe the diversification of these efforts not only helped lift

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us out of the tech bust but positioned us to withstand the next recession which at that time none of us believed it would be that early as 2008. In 2008, when the world began to see a recession, one thing that we can see by this graph -- I know it's very difficult to read, but this graph will show you, if you looked at the far left, red is Austin, blue is the United States. And the global downturn hit, felt around the world, metro Austin was one of the last economies in the U.S. To go into a negative loss of jobs in 2009. But if you look back to 2001 through 2003, Austin was the first and felt the deepest as far as job losses, arguably the community that was most hurt by the tech bust in the United States was the last community to regain jobs and begin to grow jobs. So the difference of that period of five to six years was us as a partner about the city, coming together on a strategy to make a sustainable economy. But we don't really take our current economy strengths for granted. You know, we all remember those days when there were layoffs at the city, when our neighbors were being laid off from their jobs and having to move to other communities to support their families. We remember that technology changes daily. We've experienced these past two years of big change in technology, has impacted Austin, we've lost ahead quarter companies, gained new companies, so we're still on the positive side. We always know that planning for our future is really uncertain, so we must be prepared. Here's another look at what I just mention happened in the great recession, and the blue on there is Austin, and then some of the benchmark cities that we look at when we see how we're doing relative to them. You can see that Austin lost the fewest jobs, the last to

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go into negative loss of jobs compared to communities such as Phoenix that lost nearly 10% of their jobs in that great recession and still recovering from it. We are beginning to diversify our economy so we can, again, sustain our economy through the next cycle when and if it should come. As we enter the second generation of opportunity Austin, second five-year program which launched in 2009, we continue to diversify the economy but, again, to focus more about homegrown talent. If you recall the first five years how we're gonna get the jobs back, second five years how do we get more austinites ready for those jobs that are coming, efforts included such as the clean tech I mentioned or life science and biotech. To give you a little bit more insight into this, I'm gonna call on one of our lead business recruiters, Arthur Jackson, who is with our chamber of commerce so I'm gonna turn it over to Arthur. >> Thank you, Mike, good morning, mayor, councilmembers. Much like Mike I want to take the time briefly just to tell a little bit of the story for our clean technology as well as life science department and our initiatives in investment into growing those industries here. In 2003, opportunity Austin was tasked with attracting and recruiting clean energy technology businesses and related support businesses to Austin. Opportunity Austin in carbonic with city council set lofty goal of becoming a leading city for environmental stewardship, sustainability and clean energy jobs. This partnership committed itself to bring growth and opportunity to Austin. The city of Austin invested in our creating collateral and marketing to talk with clean energy companies about creating clean jobs, investments, and opportunities right here in our city. Our efforts provided were -- proved to be far-reaching.

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The latest roster from market street services show since our benchmark year of 2003, industries or company sectors centered in clean technology have created over 148,000 jobs. Where there was one a decline and stagnation with little to no regard of our environment, today marks the stability stability, progress, and needed recognition to preserving our community's ecological character. We have also seen an increase in our venture capital funding in clean tech from 2003 to 2015 as well. And these

improvements have set Austin apart from other cities and highlight our dedication to smart growth and sustainability, and we want to maintain this commitment. Now to catch you up to where we are today, since 2004 we've had over for the project relocations with companies creating over 2300 jobs in the Austin area, occupying over 600,000 square feet worth of building space. We have also had over 60 expansion projects, meaning local companies who have grown or expanded here that we've worked with, which created over 4800 jobs here in the Austin area and over 1 million square feet of building space occupied in clean technology. Currently we have over 240 companies with over 22,000 jobs here in Austin for clean technology. Currently we have -- we're currently working 104 active projects with companies looking at occupying over 3 million plus square feet of building space, which would potentially create an additional 4,000 jobs here in the Austin area. And, last, to highlight our investment in our life science industry cluster as well, first a short background, again. Opportunity Austin and the chamber were first to call for efforts in a new medical

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school here in Austin back in 2004. We worked with senator Watson throughout the years on this project. We were also pleased to see back in 2012 that Travis county voters approved a property tax to increase the support and health care initiatives here in central Texas and in Austin. Opportunity Austin has also supported efforts to create a relate innovation zone to create more technological companies. The medical school and related efforts are anticipated to create over 15,000 new permanent jobs at all skill levels and about \$2 billion in economic activity. And I'll be pleased to announce that we've actually welcomed our first round of new doctors as well into the Dell medical school. They just had their first class this summer and their innovation zone should be ready early this fall. And to give you a background and catch up about where we're at today, we've had over 46 relocation projects since 2004 that have created over 3200 jobs with companies occupying over 850,000 square feet of new building space. We've had over 62 expansion projects here, totaling 1100 jobs -- 2100 jobs and openly paying over 1.2 million square feet worth of building space. In Austin today we currently have over 230 life science companies, totaling over 13,000 jobs in our community. Currently we're working 35 active and hot projects with companies looking at occupying over 821,000 square feet of building space in the Austin area and hopefully bringing over 2900 new jobs in the life science industry cluster here in Austin. Some of these subsectors of life science consistent of

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pharmaceutical, medical device, biotechnology and also health tech or digital health care, if you will. And that concludes background on opportunity Austin and clean technology and life science and I'll now turn it over to Gilbert. >> Thank you, Arthur. As I started out saying, opportunity Austin is really about people. We've talked a little bit about people having jobs that they can support themselves and their families to feel like they can participate in all the opportunities that the quality of life of Austin provides to them. Let me talk isous a few minutes about -- just a few minutes about things beyond the jobs that opportunity Austin is doing. I want to start with air service, a little bit on that. We formed an air service task force, a business, individuals back in 2008. We've worked pretty hand in glove with abia. As in every community a vibrate transportation network in and around and out is very important for quality of life, obviously very important for sustainable jobs. I think you have followed with great interest the expansion that has been going on at the airport, adding a number of new Gates, adding a number of new amenities. I think the flagship success that we all hold up was the successful British airways flight attracted to Austin. That had projected I think will exceed an annual \$70 million impact and to support just that one flight, well over a thousand new jobs have been created. As you know this past summer

direct service to Frankfort, Guadalajara and recently Mexico City has expanded service internationally and we truly are becoming an international community. This will obviously quality of

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life of those of us who live here but help us in creating ahead quarter companies that have customers globally. One of the areas that I also mentioned that we began to focus on and -- more intense in 2009 was the grow our own jobs here in Austin. We like to call it innovation, helping companies start and grow jobs in Austin. We have done a number of interviews with start-up companies, small businesses and what they continue to need to grow in Austin and the nature of the start-up companies, they're very high risk and difficult to obtain typical financing. So those are the areas in which they want to get assistance, and that is really around financing. Also because Austin represents about 1.5% only of the national venture capital, opportunity Austin markets to a national venture capital firm to look at these great ideas, start-ups that are happening in Austin and to invest in them here. We also vet and promise - and promote the highest promised start-ups in our community, which we call the a list. Hopefully you're familiar with that. To date these a list companies have received more than \$1 billion in additional funding from funding capital markets and exit proceeds when they're successful. Another area that we work in is mobility. Mobility throughout the region. With private funds opportunity Austin and the chamber have organized business leaders and the community support what we call an all and above strategy. We need all of the transportation options if we're gonna be successful on a long-term basis in this community. To improve mobility, we've recruited dozens of companies to institute [indiscernible] Community. We've supported transit, hike for a day, parkland purchases,

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waller creek's redevelopment. We've also helped to support more than \$7 billion of funding for projects over the years since 2004, when opportunity Austin launched. These projects along with the Texas constitutional amendment for additional financing are 183, mopac, I-35, 290 expressway and many more to come. In addition to the clean tech, you recall Austin had gotten a reputation in the late '90s and early 2000s as a difficult place to do business. So as opportunity Austin works to promote Austin as a great place to start and grow a company, you have seen many of the lists that have been produced over the years, best of, that includes Austin in the top five, in many cases the top community. There are too many to really show. These are an example of a few. As you would expect, these national articles are reports based on what's going on currently in our economy and marketplace as well as what we call Austin values. We recognize Austin didn't reach the top of all these best lists by accident. In regards to best lists, a key takeaway from what you might see on the screen is while Austin is still getting national recognition, we have begun to drop from the top spot on several lists. For example, in the previous milken's institute annual survey, the first bullet point on the slide you have, Austin had been ranked number 2. We now have dropped to number 4 as of the end of last year in terms of best performing cities for creating and, more importantly, sustaining jobs. It shows how competitive more than speaking to Austin itself and how domestic the changing -- dynamic the changing landscape can be, not only in Austin but throughout the world. It emphasizes why we need to remain diligent and keeping policies that attract new companies, helping local

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companies grow and create and expand on their jobs and to stimulate economic growth. Let me now talk a little bit about opportunity Austin 3.0, which is the five year strategy we're halfway through and it

goes through 2018. At the start of opportunity Austin 3.0, we began tracking new two success metrics, poverty rate, job poverty rate. These are not normally thought of as direct business interests but we look at things in a holistic way when we're looking at lifting up our community and its people. Because of opportunity Austin's work in economic development, talent, education initiatives, our independent consulting firm market street projects a reduction rate of about 6% in the poverty rate through 2018. They also project child poverty rates will be improved or reduced by 7% over the next 2.5 years. From a program standpoint, we provide advocacy at the state level to increase funding in programs in support of education, workforce development priorities. Within our business recruiting strategy, we target companies that provide middle income, middlefield employment and stability. As a side note for five consecutive years, Austin is the top community in the United States for creating middle-income jobs. More than any of the top 50 metros in the United States as a percentage of the jobs. Ideally we'd like to see more companies with these types of jobs locate in our community. Going forward, there's clearly more work to be done. We plan to continue investing in programs to help students, workers, and families. We want to create more jobs for citizens, including middle income jobs. We're look for companies like Visa who have created

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opportunities for austinites. Let me just show you a quick video insert on -- from a Visa employee. >> -- As was the boundaries between the -- [inaudible] >> I think those comments are reflected to thousands of austinites who have benefited over the last 12 years of the partnership that we've had with the city of Austin in creating a sustainable economy. I am drawing close to the close of my remarks and we have just a few more on education that we wanted to share with you. In addition to, again, the jobs we keep talking about, we are supporting efforts in workforce development, which is critical for the future. Improving the number of adults with credentials that leads to really higher wage jobs that our community has to offer. They can then take advantage of being the ability to participate in all that Austin has to offer for them and their families. In the last fiscal year budget, we calculated that the city, county and workforce

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solutions, our area pick council, if you will, invested \$17 million annually in workforce job training development and achieved 300 certifications at labor market value. We have worked hard with the new outstanding director of workforce solutions, Tamara Atkinson, as well as the city and county in the employer community on a regional workforce plan we believe will help transition 60,000 people in the community for readiness for middle-income jobs. We want to uplift our most valuable and vulnerable individuals with additional benefits that gets Austin values. Now I'd like to call on Gilbert Zavala who leads our efforts to improve student success with aid in central Texas and then we'll close and be available for questions. >> Well, thank you, Mike. Thank you, Mr. Mayor, councilmembers, for your service and your support on opportunity Austin. I'll be briefing you on a few key points related to our work in education, and that's to improve the educational and economic opportunities of our young people in central Texas. First you should now about a third of the opportunity Austin investment goes towards education and talent programs that are meant to help more students transition to higher education, get the skills and training they need to compete for good jobs. And you'll see on the data point there, we've had about a 38% increase in the share of students directly enrolling in college. We're trying to get to a 70% direct to college enrollment rate, which will bring us up to the national average. When we started we were significantly below. We've made improvement. The reason this is so critical is on this chart you'll see 50% of our -- excuse me, 50%

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of our high school graduates who do not transition into higher education end up unemployed. Of those who are in the labor market you'll see 90% of those students are living below -- making below a living wage, living below the federal poverty line so we want more of these students to connect with the education and the training they need to get into good jobs. And the reason for that is that they'll be able to compete, and we've got 60% of our open jobs just right now this past month that require either an associate's or bachelor's so we've got a big mismatch in talent there and we'd like to focus on and we have been focusing on improving affordability for the education and the training that kids need to compete for these jobs. So on here what you'll see is our financial and Saturdays program. We've taken on to work with families, work with students directly to help them complete federal and state financial aid forms and these are forms that allow families to qualify for grants and federal and state aid, institutional aid to help them afford college. We've seen there 100% improvement since we started our work with Austin aid and just this past year the impact of the filings for central Texas, these are 1-time filings is over 120 million in federal and state and institutional aid to support college going in central Texas. So your investment really makes a difference, and the opportunities that students have to engage in higher education, afford higher education is critical to transforming the trajectory of a family's life and ability to actually get into higher Ed and be able to get the training they need to compete for good jobs. So I'd like to share with you the story of one of the students that was impacted by our programs and thanks to your support.

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[Inaudible] >> It was her fault except that -- feelings afterwards was to help them get into this program to -- my mom came from -- all the way from Honduras so I can have a better life and a better education and I'm thankful for opportunity Austin for this opportunity. [♪ Music ♪] >> So in winding up our report, this is a story that we [indiscernible] Need to last for a very, very long time. We have discussed a range of the critical topics facing Austin. This includes job creation, job retention, diversification of our companies that are here, mobility, economic opportunity, training, education obtainment. The city is, has and remains a critical partner in this regional vision to grow our opportunities for all of our community and its citizens. Austin is a town built on partnerships. We don't have natural resources. We don't have an airport the size of dfw. We have tech. We have brains. We have culture. We have engeneral newt. Tech changes by the minute. No one in tech is complacent, at least not for long so we must work together. We have experienced a significant improvement. Before opportunity Austin we are significantly below the national average. Now we are one of the few American cities are per capita incomes are actually growing but we will always have to work to diversify our economy, to address affordability, mobility, direct air service, access to capitals where we

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can grow our own business employment workforce programs and ways to lift people out of poverty. It's easy to turn a blind eye to economic vitality, especially when things appear to be going really well. However, it is also easy to drop in vitality, have a drop in vitality when things are ignored let me end on a couple points. I cannot stress the importance of Austin remaining a business-friendly city. It will help keep our citizens employed, our children educated, allow Austin to stand as a vibrant, dynamic place to live and work. We do not want to repeat the mistakes of the past. It takes years of work, planning, organization to develop these policies and experience the payoff and benefits. Yet only a short time to

undo these gains and step backwards, suffer a harsh economic downturn that hurts all of us. So we really thank you for the opportunity to tell the story, a journey that has no ending, we hope, a partnership that has been very good for the last 12 and a half years. We stand ready to answer any questions, Mr. Mayor. >> Mayor Adler: Thank you. Council? Ms. Garza. >> Garza: You refer to middle skill jobs and middle income jobs a couple times. Can you define what that means, both of those? >> Yes. Thank you for the question, councilmember. We use the national standards for determining that, and that is -- I'm going to give you round numbers, 30,003 low 50,000-dollar jobs. 30,000 through low 50,000-dollar jobs. >> Garza: Okay. And I guess just generally,

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I'm very encouraged to see phrases like poverty in a chamber presentation. Also, it's an issue that I don't believe we talk about enough. And you also said something about valuable and vulnerable austinites so I appreciate the recognition that our chamber and our business community really needs to help us address those very important issues. I think you're doing -- we're doing a great job with education and pushing more people to higher education and, you know, I have -- my family is a testament to, you know, being -- getting your education helps you further your career and whatnot. And I'm sure most people sitting here. But I also hope that the people who don't make that path, that can't get to the higher education -- you mentioned that 50% of those have jobs that are less -- don't make a living wage. So I think it's really important that as we're recruiting companies or -- to come here, we encourage them to pay a living wage because, basically, if these families are not getting paid a living wage, they're being subsidized by government programs. And so these companies really depend on government programs to help them with health care and to help them with other things. And so I appreciate the push for more education and pushing people, but there are always going to be, unfortunately -- in a perfect world we wouldn't have to worry about living-wage jobs but there are always going to be those and I hope we push any companies here to pay that living wage because we're limited but what we can do because of out of -- other states. I'd also ask, something that starts to be become part of

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the conversation is child care, companies that provide that because there have been studies that show when companies -- it saves them money in the long run because it helps with retention and the money that they have to spend on turnover with their employees, having child care, they're able to keep those employees longer and they're able to keep women in the workforce longer. So just some thoughts. Thank you. >> Thank you, councilmember, for those comments. In fact, we agree with a lot of your comments there. One of the things that we really have focused on with the city's help and county's help, I mentioned in the presentation that somewhere near 17 million or more dollars had flowed into training individuals here in central Texas, specifically Travis and the city of Austin, and yet we're yielding only 300 certifications. So employable skills is the critical need for people to find their pathway into a brighter economic future. So with -- I know the mayor and the county judge has made that a priority, that we can do better than what we're doing now. We are a participant memory at the table, and working very hard, because we believe, if we can get those 60,000 adults defined as those that are 18 and above into -- with employable skills our marketplace will be better off. Thank you. >> Mayor Adler: Ms. Houston? >> Houston: Thank you so much for the stories and also for the history. Sometimes I think people forget that without the history we are without context and we will repeat those problems of the past. So thank you for that. I support what councilmember Garza said about child care. That is critically

important, and it costs so much these days to provide non-subsidized child care even when you have child care subsidized it still

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takes something out of a parent's pocket so that is critical to keep people employed. One of the things that I'm concerned about is do y'all have or have you ever had a working group to focus on economic development east of I-35? Because that seems to be something that we've talked about for many years, probably as long as y'all have been doing this wonderful project, but is there a working group that's looking at the employment rates in other parts of the city that are not as high as the city in total? Because in my district, 27% of the folks in my district -- or 25% are at or below the poverty level, and many of those people or some of the other people who are not counted have come back from the criminal justice system. And so there's a particular niche of employment opportunities for those people. So would y'all consider a working group to really focus on how do we develop locations for employment outside of downtown, in the eastern crescent because as we talk about congestion we seem to focus all of our infrastructure downtown and we've got some land still out in the Netherlands and so is that a possibility to have a working group kind of look at what things can be developed, location, kinds of industries or businesses, and then how do we do that preparation for people who are formally incarcerated and those who have just -- generations of not being employed? >> Right. Thank you, councilmember Houston. In fact, we have been doing a lot of what I would call preparatory work over the last number of years, as you indicated. Our focus is not just downtown centric. It is communitywide, where there's opportunity and employers are beginning to locate places of employment near where the employees live.

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You're seeing more of that happen. Specifically for east Austin, a little over a year ago, last summer in fact, we commissioned a study that would identify tracks tracts of opportunities for companies to locate in east Austin. We have that available. We use that in our marketing. There are some development challenges that we are working currently with the city on, specifically infrastructure that needs to be to those sites. It's limited. We are an active participant in the spirit of east Austin working committee that city council established and look forward to being a big contributor to that plan as it develops and rolls out. But we stand ready. Thank you. >> Houston: And one last question, mayor, statement, mayor, if I may, is none that have works if the transportation systems are not in place, and so -- [indiscernible] Is a wolf example of an organization or business that will hire people who have been formerly incarcerated but you can't get there from here, and so -- because there's no bus that runs that way, and so those are some of the complexities of how we match the employment opportunities with the people who need to have those jobs. So transit is also a critical piece of that. They can't ride their bicycles that far either. >> Animal. I agree with you, councilmember. And that's a conversation that makes sense to have at capital metro. As I understand it cap metro always has an open mind where there is a high need for transit to go to employers to work with employers on that. >> Houston: Thank you. >> Mayor Adler: Mr. Casar first and then Mr. Renteria. >> Casar: Thanks so much for presenting to us today, and I

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think that it is helpful for us to think in booms and busts, whether we like that that's the way the economy works or not. I hope that we are -- can be good at explaining the public sentiment may turn quickly and booms and busts based on what we need to do but as a board and an organization we need

to be thinking always about that cycle. So thank you for bringing that up. My question has to do with the poverty numbers that were presented. Do y'all know if those are city poverty numbers or regional poverty numbers that you're projecting and working with? >> Right. The numbers that you saw were the most current year would have been 2013. They lag two years, unfortunately, for reliable sources. Those are city numbers, poverty numbers, to answer your question directly. >> Casar: Great. I would challenge you all as I've challenged our demographer for us to think about how to measure this better. My concern and I think this is not -- this is not to criticize your slide, but it's a personal issue with poverty numbers, is that the demographer has noted that the poverty rate is decreasing within the city, not necessarily -- certainly potentially some because of some economic mobility but largely because of displacement outside of the city limits due to affordability issues. And so I would challenge us as we work on this to think about how we better measure economic opportunity provided to those living below the poverty line and that shift for a person. I think the per capita income is not a sufficient measure of that either because, online, we have a large influx of people that are -- that would have access to good jobs that also rise that per capita income which isn't saying that's a bad thing, it's to say the P income does not measure that either so I

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challenge us and I'm happy to be a part of the conversation to think about how we best measure that change out of poverty considering that we all know that I don't think that the poverty rates actually reflects what it is that we're looking for, or at least it doesn't isolate it. The last point being that I think we also would agree that somebody showing up from Laredo to Austin who would increase our poverty numbers if they're a person in poverty doesn't necessarily mean it's a bad thing if they're seeking opportunity here and they're having a better life. And so some of the my friends might yell at me for this but I don't think that the poverty rate going up is necessarily a bad thing. The question is can we get those folks the hope and opportunity that we're trying to promise them once they're here. So you can respond, certainly, but it's less of a criticism and more of a conversation moving forward about how we measure this issue. >> Thank you, councilmember. Two quick responses. The -- when you blend the area, region, msa poverty rate, it actually goes down, even with potentially people who have moved out of the city of Austin. So it's a very difficult task, as you pointed out. The second metric that you mentioned was per capita. I think the good news out of the per capita going up, that's the discretionary income that keeps a lot of the small businesses active and economically successful here because that means more individuals have money to spend at our local service businesses. But thank you for your comments. >> Casar: Exactly. That's not to say that the regional numbers are better or that the per capita going up is bad. It's just to say that as councilmember Garza noted, the opportunity Austin 3.0's focus on issues of raising folks out of poverty is a welcome one, but we need to find a good way of measuring it so that we know what we're doing, whether what we're doing is working, and how well it's working. >> Thank you. >> Mayor Adler: Mr. Renteria. >> Renteria: Thank you, mayor. As someone that retired at 2008 at 58 and in 2008 that

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was one of those years that, when the economy crashed, I wasn't the only one alone out there. There was a lot of seniors, older workers, that wasn't expecting to see this downturn in the -- and the technology has advanced so fast that a lot of these people felt left out, you know, and they have -- they struggle. Some lost their homes. IBM laid off a whole bunch of people around that time because they weren't needed anymore and they struggled, you know, and there's still some out there struggling. I knew that I went out there, to survive, I cut grass, I did all kinds of work just to make sure that I had

some spending money and income. What are y'all doing for these -- is the chamber have any kind of programs to help these older senior workers that are being -- well, technology is leaving them behind? >> Thank you for your comments, and your question. Yes, even though better the best U.S. Metro in the great recession, we still had a negative loss of jobs for a short period of time, which is when we all need to help lift our neighbors and friends. Thank you. As far as specific for the older worker, we do not. I will tell you, employers -- there is a trend among employers that actually are seeking more experienced workers. So I think as the -- as we talked about in doing better job training, work skills, transitioning adults from one industry to another industry, from one job to another job, requiring skills, that's what our target is. We're using the unemployment, the filing for unemployment as our benchmark and to address those individuals, which are roughly about 32,000 of them,

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31,000 right now, the current 30 days in our marketplace. And that's a blend of all ages within that, councilmember. Thank you. >> Mayor Adler: I think that there are a lot of words that you used. I think that are real welcome for people to hear, and I agree with councilmember Garza on the poverty mention, the mention on middle income jobs and opportunity and education. There's another word that you mentioned, too, which was "Partnership," and I think that one of the vettings of Austin's history as we go through history here is the lack of a partnership between the chamber and other parts of the community or perception of a lack of partnership. But I think that one of the exciting things about the time we live in right now is I think that that is changing, and I think that has the opportunity to change, and I think the specific focus of opportunity Austin 3.0 points us in that direction. I've been in Austin -- you know, I walk around the city now and we have all the trains on -- cranes on top of the buildings and every time I'm with somebody who jokingly says that, you know, the city bird of Austin is a crane, I cringe because I can remember at least two other major times when that was the joke. Only to be followed in short order thereafter by real crisis in this city, that when the cranes are there, you lose track of those. And, you know, much to the distress of my three girls, when I harken back to things

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I've learned through life, because it makes me sound old and one lesson that you learn is that economics is cyclic Cal and the only thing we can be sure of in the cycle that we're up in right now is that it, too, will end and we will be back in exactly the same situation or near situation that mayor Garcia was in, and it's a question of when. And I hope that it doesn't happen while I'm sitting at this table and in this room. But it's going to happen and it's going to happen to somebody and some council that is sitting at this table. And, quite frankly, when that happens to those people, it probably won't be because of anything that they did. It will be because of what people did before they got to that place. As it was to a large degree with gust when -- and his council, when they were here. I really welcome that the chamber as a partner in the spirit of east Austin effort. And, quite frankly, was one of the really early folks pushing for the focus in east Austin. That began prior to this council coming into office, and I hope that provides an additional focus and opportunity to really get involved in that, the concept of, you know, the -- the perception in many communities is that the chamber is about high-paying engineer white collar jobs, white collar jobs in areas that we really don't need jobs. But the 3.0, what you're going for right now, is about middle income jobs for people who live here and have to be trained to take those jobs in the parts of town we -- where we need them the most.

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And I'm not sure that most people in this community would understand that that was the focus of the chamber. In terms of the 3.0 program. So I. So I think you coming here and talking to us is valuable because I think to some degree you have a pr issue and people need to know and to understand that. The specific questions that councilmember Casar was asking in terms of how do you measure success and do you measure success in terms of poverty rate, looking in the city or out of the city, do you look at per capita income, which can hide challenges at the lower end if you do really, really well at the high end, is the working group that you were all a part of as part of the solutions that focuses on individuals in poverty and moving those individuals in poverty into middle income job is a metric that I understand the working group hasn't announced anything yet. So the metrics you're working on in that group are encouraging because they're real. Those are real people and it's a way to measure success in a very specific way that is not susceptible of anything other than are we moving people from here to there? And then I conclude with -- and it goes back to the partnership issue and it's what we talked about a little bit last week when we were talking about incentives. I think there are people in this community, me among them, that believe that our priorities should not be in co-investing with companies bringing great jobs to this city, no matter how great those jobs are, if what they're bringing in is really high-paying, high-level, white-collar jobs in areas that we

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don't need jobs. I'm not against those jobs. I would love those jobs to come into our city and it drives a lot of what's good here, but in terms of focusing energy and attention, I think this council would co-invest readily with companies that are bringing in middle income jobs, that are training people that live here for those jobs. And I think that as part of the program what we do is we need to get to the place where we work out that program so that everybody knows, everybody's bought off on it so when you, sir, are out recruiting people, you know what offers you can make and what you can deliver, which I understand is one of the chief tools you need is the predictability when you go out and talk to a company about what it is that you can offer to a company. And to entice them to come here because that's what we need. And I'll conclude with there are a lot of cities around the country and the world that are dealing with gentrification issues, that are dealing with disparity of wealth issues, that are dealing with growing populations that are not trained for the present day skills in order to be able to do well. Cities all around the world and around the country that don't have the financial resources we have in this city to be able to spend more on social services and on parks. And they're struggling in that regard, equally Progressive, equally wanting to do good things, equally wanting to protect their citizens, but what -- the advantage that Austin has at this moment in time is that we also have one of the hottest economies in the world. And our trick -- and I think the trick for this council is to figure out how to harness that power and that growth and those resources in a way that provides equity and opportunity and access in our city. The downtown gets a knock in a lot of

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places, but if you want to build a pocket park in far east Austin district 1 or far northwest Austin in councilmember Zimmerman's district, if you want to build a pocket park in those areas, your best, most direct way to do that right now is to have another development that will generate a lot of property tax revenue in this city. Because that's what we use and that's what we use as our tool to be able to create those things. That can't be an end and of itself because it changes our community and we lose our character and our soul, but if we do it right, if we do it with the word partnership that you began with, then our best intentions as a group can actually be realized in this community that I really do believe is our path to really having the resources to providing opportunity and equity in this city. Councilmember

Garza? >> Garza: Thank you for those comments, mayor. And I appreciate addressing the pr problem because I think unfortunately the chamber does have that. As I said, I really am encouraged by the panel sitting here before us, a very diverse panel, and I hope that we can continue this new -- what seems to me to be a new path in increasing diversity. With the old at large system I heard stories before about a councilmember being approached by an hispanic issue and that councilmember saying, well, go talk to Martinez, like that's -- and I just want to make sure that our chambers are not -- well, that's an hispanic chamber

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issue or that's the African-American chamber issue because our hispanics are almost 40% of this community. We have a declining African-American population, and I think those are issues that our chamber needs to be addressing too. So it makes us a better -- when we're diverse. So I really appreciate what seems to me a move to address some pr problems that maybe they're just a perception that's not really there, but seems to be there. And I went to a chamber event and it was -- I think it was like the person of the year thing and I did a presentation of the past 30 years and there was one woman, I believe, that had received that award and I think it was Ann Richards. And there was one minority and then the rest were white males. So I like the direction we're moving and I hope we keep moving in that direction. >> Thank you for those comments. I would like to at least clear up one perception and that is when we talk about working together and partnerships, for the last almost 13 years at the end of this calendar year, the hispanic chamber, started out being the capitol city, but the black chamber of commerce, the Asian chamber of commerce, the gay and lesbian chamber of commerce, and they'll all been working, the advocate Saturdays, they've been at the table each and every time that we talked about economic development and jobs coming to this area. In fact, it was a requirement I'll call it

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that they be at the table as we began that injury any to the city when -- the journey to the committee when there was an economic development. And in marketing the community, those organizations are generally very well represented. So maybe the most important end result for us are results. Maybe we do not do a well enough job clearly where there are more people in our community knowing that there is a journey of partnerships that all have the same end goal. Thank you. >> Mayor Adler: Thank you. Any other comments? >> Garza: I just want to say I'm sure you have those partnerships. There was a perception, but I appreciate your response. >> Mayor Adler: Thank you very much for the presentation. I think those were all the briefings that we have at this point. Again, the briefing on the city manager we're going to have right after we do executive session. That gets us then to our pulled list. We'll go through that. We have lots of things -- we're going to try to shoot again for lunch at noon. Let's see how fast we can work through this stuff. Number 12, councilmember Gallo? I have 12, 21, 30, 42, 94. Also added to this list is 17, 25, 39 and 41 and 71, 75 and 46.

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Ms. Gallo did you have a quick question? >> Gallo: I do. I don't know that it's going to be quick. I'm trying to understand -- thank you for being here. You can give us a little history on this. Obviously it appears that this is a situation where the city is in the hotel business and -- or partnering to be in the hotel business and I really want to understand how this came to be and how this is working. My concern being that we have an arrangement right now that is not able to pay the debt service. So the project is not paying for itself and the city is needing to step in to help with the rewrite of the debtor the refinancing

of the debt, it seems like and also stepping in to pay for repairs. And where my questions come from on this one is also going to take us to a conversation about the new Hyatt that is getting ready to break ground. So my concern being that if you have a hotel that is not operating in a way that it can pay for itself and now you will add to the market a second hotel which is going to pull away some of the guests from the other hotel, I'm just trying to understand why it is that the city feels that we need to be in the hotel business and why our long-term 86 is going to be. Because of that we have so many needs in our community for our dollars and I'm trying to understand the concept, number one, how we got into the hotel business, and why one of the things we're not discussing at this point is getting out of the hotel business when we're talking about a project that seems to not be able to make the funds to be able to support itself. So lots of questions rolled into one. So I think perhaps sharing with the council the history of this, how we got here, why we are still here, what we are looking at as far as the city's obligation to keeping this hotel going and do we have other

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options like getting out of the hotel business. And particularly since we're looking at another one which it appears like and maybe you can address the Hyatt that the city is also going to be owning or abia -- trying to understand the ownership of the new Hyatt also. Thank you. >> Jim Smith with the airport. There's a lot of questions in there. I have a presentation to walk you through item 12 and 13, but let me back up a little bit because you raise the question why do we have the hotel. Those people who aren't familiar with it, the airport gets no tax report so the airport has to operate on the revenue that it develops from its funding sources. We call those non-airline revenue sources, which are all of the revenue that the airport earns other than from the airlines, things like concessions that we have inside the terminal, our leases of land for cargo operators and also a hotel. In this particular case the city and the airport own the land under the hotel and he owned the hotel that the building is in. And they have a long-term lease with the entity that actually runs the hotel. The Hyatt is a developer-operated entity where the city is just the landlord. So we collect rent whether that hotel is ultimately successful or not successful. We get a land rent to the airport. That income is what we use to help build growth and the facilities necessary to accommodate additional air service. Along with the debt that we have to issue to pay the almost \$500 million that we're going to have out in the current improvements with the nine-gate expansion, another parking garage and a variety of other things.

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So airports in the U.S. Are constantly searching for ways to generate revenue to support their growth so they can minimize the amount of debt they have to issue. That's fundamentally why we're in the hotel business. Going back to this one, and specifically the Hilton hotel is performing well relative to its competitive set in the market. Each month we get a report that is done by industry standards and it compares the hotel to other hotels. The problem with the Hilton hotel is that back in 2000 when the hotel opened it was saddled with interest rates on its debt that were relatively high for the period, 6.75 on the A bonds and over 10% on the B bonds. Over time the interest was accumulating faster than the hotel could pay that off. So in the early years after 9/11 and things like that the hotel was having times and it gotten to the point where it started accumulating due interest to the bondholders faster than they could pay it off. As a result the hotel went into a default. And maybe you're familiar with when the hotel is in default the managing entity loses control over the capital investments and the bondholders it then have the right to make the decisions on how to make the investments in the hotel. So over time since 2004 when the hotel first went into default the bondholders have been in charge in how the capital investments are done. That has become a problem since the current holders energy place and

now they're not making the necessary improvements to the hotel. >> Gallo: Can I stop you there. So who is the bond holder? >> The original bondholders that sold the bonds initially with the major banks and insurance companies, they sold out three

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years ago. To affirm which is commonly known as distress debt buyers. Some people call them venture investors. Firms who come in to buy bonds that are in default with an attempt to turn them around quickly for a profit. So when that firm bought the bonds in 2013 they immediately stopped paying for capital improvements that we would have thought were required to keep the hotel in first class position. For example, on the slide here we currently have a situation at the hotel where, one, it is overdue for row modeling. Hotels need modeling about every seven to eight years to keep up with the competitive set. This hotel is now 15 years old and it has not been modeled. It requires a complete hasn'ting, ventilating and air conditioning, equipment replacement because it is accumulating mold on the ceiling of the atrium inside the Hilton hotel. Both of those projects the bondholders are not willing to support with capital improvement dollars so we're stuck with a situation where that situation is continuing to worsen and we've had to find a solution. So for the last three years we've been essentially negotiating the airport, those distress bondholders and able the city entity that was created to sell the bonds to try to come up with a solution. The proposal that we came up with, and to go to one of your points, we don't -- the city does not have to do anything in this particular case. There's nothing requiring the city to do anything here.

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The city is the landlord. It owns the building and it owns the land. We don't have to go into this. However, if we don't go into it we think there's a high risk that it will deteriorate and affect the image of the airport if we allow the Hilton to deteriorate over time and we think we have found an equitable solution at minimal risk to the airport. And that would require able to issue a new bond sale of approximately \$46.2 million. Our financial advisor estimates the new interest rate would be about three and a half percent. From that money we would take \$30 million of that bond sale to pay off the \$61.4 million currently owed to the current bondholders. So basically pay them half of what they are technically owed. Then the able and the bondholders would split the four million cost to replace the hvac and remediate the mold situation so it would fix the immediate problem so the hotel doesn't deteriorate any further. Then the airport would advance able the funds so that it could start the repairs immediately because it would be six months before we could complete the bond sale. The mold needs to be remediated. The airport would eventually be reimbursed for that advance when the bonds are finally sold and we would take nine million dollars additionally from that bond, the 46.2 million and put it in reserve to make the capital improvements in the Hilton hotel that it is woefully overdue for if it is to remain competitive in the marketplace. So so again why we are recommending this path rather than the do nothing approach, this approach would take able out of the default and reminder that the city council appoints the

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board members of able. So by taking able out of default, the city regains control over how the capital improvements would be made in the Hilton hotel to make sure that it is run appropriately. It would allow us to maintain the Hilton standards and number a full service hotel at the airport which is differentiated from the Hyatt place, which is a limited service hotel. And it protects the long-term value

of the city's asset and contribution to airport revenue. Again, the city owns this building. The city owns the land underneath it. It's a long-term valuable asset. It pays us today \$600,000 annually in rent that we use to help support the airport. And when the lease expires in 2033, our financial advisors estimate that we'll get six million dollars a year from the hotel coming in. So on a long-term basis, which is how we run the airport, we see this as a very valuable asset that has the potential for generating a sizeable rent payment to the airport long-term and that's why we're negotiating that the airport step in and buy out the existing bondholders in order for us to regain control of the capital investment that's required to run a hotel on a day-to-day basis. >> Gallo: Thank you. Thank you for the explanation on that. A couple of other questions. On the Hilton, the city owns both the land and the building? >> Yes. >> Gallo: And the arrangements with the entity that is currently managing the hotel, managing and running the hotel, is paying us -- is paying the city \$600,000 in rent per year? >> Yes. >> Gallo: And there

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was one other thing I was going to ask about that. And the Hyatt arrangement is that the city only will own the land and lease, do a ground lease to the developer who is building and will own the building on the Hyatt? Is that correct? >> Yes. >> Gallo: So why did the city determine to do that differently from the way we're handling the Hilton? >> The typical way that we would do business at the airport is the way we've done business at the Hyatt place. The original airport deal was done in a arrangement that the city council approved in 1998 where a developer approached the city with this way of doing the project. It is not a common way of doing projects, but the city decided to do it this way. The downtown Hilton next to the convention center we've done a similar way a couple of years after the hotel one was done, but those are the only two that I'm familiar with in the Austin area that were done that way. >> Gallo: So one of the options we would have is to obviously continue to own the land, but is there a possibility, could we also look at selling the building to a private developer and then the building would then be owned -- they would pay a ground lease to the city as we're doing with the Hyatt and then we wouldn't be in a situation where we're having to deal with financing and having to deal with capital expenses on that building? >> We can't sell the building because it's an asset that the city government requires that the airport retain. In other words, it can't be sold to a private entity. We can extend the lease term which effectively gives them the equivalency of ownership on a long-term basis which is the asset ultimately in the final day after that lease is up returns to the city. >> Gallo: And there's not any way of petitioning the federal government to change that requirement?

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>> No. Every airport in the United States operates the same way in terms of its assets. >> Gallo: So because it was an existing building at Bergstrom it came into the city as an asset, an existing asset, is that how that worked? >> Yes. >> Gallo: All right, thank you. >> Tovo: Other questions on this item? Okay. Let's go on to item 21. Councilmember pool, you pulled this item. I'm sorry, I skipped over 17, which is onlogically next. We'll, we'll go on anyway because councilmember Garza stepped out. Councilmember pool? >> Pool: I'm going to pass out a little chart that shows proposed provisions in state law and then some explanation. So y'all have that. So this is the ordinance phase of the resolution and ordinance work that we've done to update and reform our lobby registration to meet with transparency and accountability standards that we all support. Just a couple of quick items, we've eliminated the incidental lobbying exception so that it's more clear what is incidental lobbying and what is not. And specifically as you remember from the resolution you remember we put a 26,000 and 2,000-dollar earning per quarter threshold, which is about 10 times what it is currently right now. It's \$200 so we raised it up to 2,000 and said that would be raised in a quarter for specifically lobbying. And then we

have a number of exceptions, what does not include lobbying. Sitting in a council meeting for example would not be considered lobbying. So that time would not go towards the 26 hours a quarter. So we're tracking state law in every instance that we can.

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We are clarifying who religions and who does not. Specifically any issues that a member of the -- say an architect, for example, might come in and have some issues with the technical code, all of those conversations are exempted from coverage as lobbying. We've completely excluded all the life and safety issues like plumbing and electrical. They are all excluded from the definition of discretionary municipal decision. And my understanding is this is the majority, if not nearly the entirety of the work that, for example, the architects work on. So we are also expanding reporting to follow state law so we have reporting required for compensation within the ranges of the lobbyists by client. The people who are assisting the lobbyists in their registration are not included in the time of the lobbying. And we have electronic filing of reports. And then I will just let you all know there are a couple minor amendments. We will bring a redline on Thursday. Page 2 I have two small deletions under -- page 2 at the bottom under 6, the words "Or through an intermediary" are going to be removed. So lobby means to communicate directly, orally in writing or by electronic communication. We are taking out "Or through an intear mediary." And down below as I mentioned awhile ago, we are removing the final phrase at the very end of 6, "And aiding another person to lobby." So the thresholds only are applied against the person who is actually doing the lobbying, not any person who may be aiding that person to lobby. So that's page 2.

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>> Tovo: Mayor, can I have a classification. This is coming forward as an ordinance, are these changes the staff is making or amendments that you will be proposing on Thursday? >> Pool: These will be a red-line on Thursday. I wanted to give you a head's up and also so when you get it you will have had early note. >> Gallo: Can I ask a question. So you've passed out this multi-page document. I'm looking for the red-line that you just mentioned. Do you have that? >> Pool: The red-line is not prepared yet. As I said, I will bring that Thursday for the amendments. The draft ordinance is in your backup, though. >> Gallo: I see the draft, but I think you're talking about some additional amendments. >> Pool: Right. That's why I was taking the time to read through for you what the words are. >> Gallo: Then can you do that again because I wasn't writing as you were talking. Thank you. >> Pool: So page 2, number 6 where we're defining the word lobby, that first line there, it has "Lobby means to communicate directly or through an intermediary." And we are taking out the words "Or through an intermediary." And at the bottom of six, the very last phrase the words "And aiding another person to lobby" will also be removed. >> Gallo: Thank you. >> Tovo: Mayor, could you give us some sense of why these changes? Is this feedback you've received? Were these recommendations from the ethics commission? It's been through a few boards at this point, right? >> Pool: Right. And this is through working with our staff and these are additional excisions that I'm going to recommend be made after talking with additional stakeholders who have been involved. >> Tovo: They had concerns about the language? >> Pool: Yes. They said it wasn't necessary to have them in there. And if you agree we can have that conversation on Thursday. I'm just giving an early head's up. >> Tovo: I haven't really thought about it.

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I just wanted to hear more about the rationale. >> Pool: Sure. And on page 11 you will see D at the bottom "A person who communicates with a city official" the words "Mention" will be deleted because it's redundant. Over on the top of page 12 you will see that four says a statement regarding whether the person has received or expects to receive compensation. That's just a cleanup. >> Where was that on page 11, I'm sorry? >> Pool: Page 11, at the bottom, D, the first line, the last two words "For compensation." And then the for compensation piece is ex-la indicated at the top of 12 in item four. And there was one other thing that I was going to tell you after talking with the city clerk and knowing that as we've discussed this work requires staff support, I am going to recommend on page seven, 18, it would take the first quarter of fiscal -- I guess of calendar '17. So that would be April 1. Rather than January 1. This will give staff sufficient time to staff up because we know it takes a little bit of time to do that and also get that person oriented to the work. So that's just an overview of what we'll do on Thursday. And then the -- I didn't keep a copy for myself. It just tells you what we're proposing, how it tracks with the state law which was the intention throughout and then any kind of comment or explanation to answer any questions.

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>> >> Mayor Adler: Thank you. Next item that we have is item number 30. >> Tovo: Mayor, we skipped 17. I didn't know if you were doing them after. >> Mayor Adler: I was doing the ones that ecosystem got in timely and then go back and get the other ones. So number 30? Which I think is yours. >> Tovo: I had a couple of questions for this one for our staff and I apologize that I pulled the fashion industry one late as well so we'll talk about that later. As I understand it involves the same staff. So I understand this is the 18 stein staff in a few arenas. But I want to understand what you propose spending money on a study about. If you could talk us through why the study and what -- where we are with that. >> Thank you, mayor pro tem. Kevin Johns, director of economic development. It actually has to do with several areas of our workforce efforts. As you know, the 100,000 in poverty and children, it's one of the top two costs we have as a city. So we're looking at both the new regional master workforce plan, we're looking at the \$2.7 million' worth of contracts that we do for workforce, and we're also looking to bring to mayor and city council the Einstein project. So today when you look at where we are, there's one thing that all three parts of the university that are working with this agree on, and that

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there's no definitive list of what anybody in workforce is doing. There's no list of what the companies are doing, where they're doing it, how they measure their metrics. There's no measure of where they're actually delivering their services. It's the same thing for the non-profit organizations, while individual non-profits and workforce organizations clearly know what they're doing, there's not a whole landscape of what people are doing. So that means that there's no way to measure the return on investment in any kind of intelligent way. So we have been working with these three parts of the -- we've been working with these three parts of the university, the ray Marshall center, which is focused on workforce and labor and is working with the existing non-profits and the schools. We're working with the mcombes business school who -- Mcombs business school who wants to work with us on return on investment. And we're working with the lbj school, which will look at the global best practices for workforce to find out what is actually working, what are the metrics for that. That information would be taken together and put into the form of an assessment. This is a sample that I can give to the mayor and city council. This was an assessment of the 1.7 million veterans in Texas and how they used health services. So this would be a look at the entire landscape of all of the workforce organizations, the companies, the

schools, the non-profits, and to look at them to see where there's gaps, where there's duplication of effort, where they're not measuring their return on investment, and come

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up with a quantitative and qualitative impact template for mayor and council to look at so that as we move forward in putting together the regional plan that we organize our workforce that we can do it in an intelligent way. So that's kind of a long way to say that we think that we've got to develop this existing baseline. >> Tovo: So I guess I'm now -- I have more questions rather than fewer. We're being asked to approve an interlocal agreement with the Ray Marshall center to do an analysis that looks like it's focusing on youth-focused programs in the stem area. And I know we've had sort of general discussions about economic developments idea for an Einstein project, but as I understand it's not a fully fleshed out program and I'm unclear why we would move forward with an analysis to look at other programs that are out there, at least some of which are doing their own evaluation and we could learn from the results they've already gathered. So help me now make the transition between what appears to be an extremely focused analysis here looking at youth programs that already exist that are out there and what you're describing this terms of workforce. I understand there's a relationship between stem programs and workforce training and the interest in creating a pipeline, but it doesn't appear to be a focus of this analysis. And in terms of providing inventories and the like, we have another department that years ago -- I don't think it's been completed, looked at youth fifth street that are out there. -- Initiatives that are out there. So I'm still having trouble understanding what the city is and how it relates to previous direction that the council's issued. >> Council approved a contract with the Ray Marshall center to develop a collective

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impact model that evaluated all of the companies that are doing work in the stem and workforce fields in Austin. And to develop this definitive list of who is doing what to make an assessment with the companies on the gaps that are there in schools and that the private companies are working with in stem and to assist in vetting companies with best practices and to get a better understanding of the metrics that each one is doing. >> Tovo: So when was that approved. That might help if I can go and see that item. >> That was, I believe, in the unmet need that was approved in last year's budget and current budget. >> Tovo: What does that mean? We don't typically approve unmet needs? You mean -- >> It means it was approved as part of our budget it was the only thing we asked for last year that was new. >> Tovo: So it was approved as part of the budget. It was included within the budget, not on the unmet needs. >> That's correct. >> Tovo: Was there a description in last year's budget of that analysis? >> Yes. It's pretty much just as I've outlined. And the point is you that this work with the Ray Marshall center has two components. One has to do with the part that I've just outlined, which is to deal with children. Because all of the studies show that the current generation of children will move -- continue to move into poverty. We've got several studies online as well as you may recall that we had -- there's a study by John Hockenjos who has done an analysis on what is the return on investment if you move children out of poverty, 40,000 children out of poverty. And his conclusion is it would generate 38 to \$70 million of new taxes

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for the city because they would forego the need for affordable housing, subsidize from Austin energy, the health and human services department, the criminal justice system, the police department and jails.

And so that was a small part of what we think the impact could be. The hockenyos study only looked at the savings that could be a result of the kids moving out of poverty through their teamwork through the tutoring with the schools and companies. But only with health and human services. The second part of that is what is the overall return on investment to the city. And the return on investment to the city, the bigger concept is the second part of this that the ray Marshall center, the McCombs school, and the Ibj public affairs school have offered to do this as a complete analysis. So that would be a course that could begin where those three organizations would prepare an analysis that would be applicable to all of the workforce organizations. It still would look at what happens if Austin moves the children out of poverty, but it also would look at global best practices and do a focus group evaluations of those adults who have graduated from programs and then evaluate the return on investment. Again, this is the whole program is to provide the baseline for how you fund workforce in the future and how you leverage private investment. That does specifically deal with the children, but it also deals with all of the workforce programs which have never been definitively listed or organized. >> Tovo: I know we have a lot of other items on our list today so I think we need to

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follow up with some questions and maybe see some information about the study we've already apparently mission commissioned through last year's budget and better understand what the scope of this is. And Mr. Johns, I don't mean to grill you on it. It's just this is coming forward at a time where we're -- I spent an hour or two hours last night combing through the budget trying to see if there was wiggle room because we have so many extremely pressing needs. And if you look on the concept menu, there are one or two items that deal directly with workforce, with very successful workforce programs. So for me it's -- this may be very useful, but I have to really evaluate it against some of the other opportunities for using that money, one of which is to actually fund some of the workforce programs that we know are really successful. So I'm going to need a better understanding between now and Thursday of how -- I want to be very certain that this isn't duplicating certain efforts, as I mentioned. If it's really looking at youth programs, a lot of those are required to do their own evaluation. And I'm not - - and I'm really going to have to understand how this evaluation, while more global, whether it's really something that the city needs to be understanding. I think we look really carefully at the programs that we invest in and we invest in some very good ones. So I'm not sure yet that I see this as a missing need for the city. >> Well, thank you for the feedback. As director of economic development I manage the three major contracts that are doing the workforce work. And I also am your representative on the board of workforce solutions. And so you heard a little bit earlier from the chamber of commerce, but I've worked very hard to try and develop an understanding of what it is that can make a

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difference in Austin economically. So to measure the return on investment. And I think to my recommendation, and I would like to have additional conversations on this. Then I think we have a real opportunity to move a generation of kids out of poverty and we can do that by harnessing the resources of the companies that are here. But right now we don't know what the companies are doing. And we don't know what their metrics are and we don't know where they're actually doing their work. And I think that this is a different puzzle piece than just the middle skill jobs that are \$18 an hour. So I welcome the opportunity to have a conversation and I'm confident that I can convince you this is an important thing to do now for the economy. I know we can continue to fund organizations that have one or two companies that have individual metrics that are legitimate, but I think that we also have a system that's fragmented and that there's gaps in services and there's duplication of efforts. And until

we really get to that I think we can't really solve the problem. >> Tovo: Okay. I appreciate the response. Initially I think that programs focusing on poverty are critically important. They may be some of our most important work that we're going to do here as a council and as public servants in the work that you do. So I really appreciate the intent. I just again, because we're -- because of the budget context we're in, I just really -- I'm going to need that additional information. But I can do that through the Q and a or perhaps through a conversation. Thanks for being here. >> Mayor Adler: Thank you. Any other questions on this item? Ms. Houston? >> Houston: Thank you, mayor and thank you, Mr. Johns, for the presentation. I was -- as a fledgling councilmember last year I was overwhelmed with how much money we send out and we don't track whether there's duplication and we don't

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use the same metrics. And some people do a self-assessment how far well they're doing. And so I would appreciate being able to see from various departments where money goes and how it's directed to actually impact the lives of the people that all of us are concerned about in a positive way. And that's hard to get. The performance measures are very different. We give percentages sometimes rather than actual numbers. The benchmarks are not scanned and I know we -- are not constant and I know we -- I know that's their only evaluation of what people are doing. I would appreciate having that collected in one spot so we know and can begin to normalize what expectations are when the city provides funding for some innovative program, then everybody is measured on the same kind of metrics so that now we understand whether or not those children or families, whether or not there's a family, what we're paying for. So I would appreciate some outside entity to look at that. And this is not new. I've talked to health and human services about some of my concerns about how do we know that we're getting the best bang for our buck and whether or not the young people that we're supposed to be impacting are in fact moving up out of that generational poverty or whether we just make a check and they're still in that cycle. So I would welcome somebody to look at that. >> Thank you, Ms. Houston. I think you said it probably better than I did. I think my concern and I hope what I can convey to the mayor and council is the economic return on investment, by having a fully integrated system with outside third-party expertise showing not only what works, but what doesn't work, and also what is the return on investment

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so we can have measurables. I'm very, very optimistic that this would be of value to the city's regional workforce plan, but also in how we have a stronger budget in the future. >> Houston: And I've talked about silos and how the city seems to be in silos. This is one of those that is very siloed because we've got economic development doing some things. We have things that are happening through our social service contracts. So that would be a way to bring all that together. >> I would like to say one additional thing and that is that we have a good relationship with health and human services. We know what each other are doing, but we really don't know what the private companies throughout the city are doing. And that's what we want to harness. And I think once we do that it will take a tremendous difference. Thank you. >> Mayor Adler: Further comments? Mr. Zimmerman. >> Zimmerman: Thank you, Mr. Mayor. So I'll be real brief here. I believe it was Lyndon Johnson that started the war on poverty in the 1960's. We're into it about a trillion dollars and poverty won. So the government waned a war on poverty and -- government gauged a war on poverty and poverty war. It gets so hold to hear the arguments for 40 or 50 years that have proven to be failures. One thing that could be done with this money is to take half of that money and to hire a team of ph.d economists who could do studies and prove the exact opposite of what the director of economic development wants to prove. We could

prove that there's no return on investment and that the money is essentially wasted and we could prove that with half of the money. But again I think that would still be a waste of \$100,000. We would have one team of experts saying yes, if we spend this taxpayer money we will get a so-called return on investment. Another team of experts would say if you spend the money you will essentially get nothing. So why don't we just not

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spend the money? Let's just not spend the money. And going back to my request to abolish the economic development department, I'd be happy to move on that position and only cut it by nine million dollars as the Austin energy examiner recommended. Just cut it by nine million. Thank you. >> Renteria: Mayor, I would have found it very hard to see that money was wasted. I wish that my colleague would go down to Robert weaver and talk to the 10 families that got these homes in 1960s at the 10,000, \$13,000 and they still live there and were very productive citizens and they raised their kids there. Some of the experiment that Ibj did was he put five African-American families and five Mexican-American families together and see how they lived and could get along, and they did quite a well job. And two of them are still there, even though they're in their 80's. I think it was very rewarding. A lot of good things came out of Ibj. A lot of people don't want to see it and refuse to recognize it, but there was a lot of homes. I became a home I-hop through those programs and I'm here today as a witness and I can testify that the program that Ibj created were very successful. >> Mayor Adler: Thank you. The next item, 42, has been pulled. Thank you, sir. The next item, 42, has been withdrawn from staff on the agenda. That gets us to item 94, which is the tenant relocation. 94 has been withdrawn for Thursday? No. 42 has been withdrawn. 42 has been withdrawn. Ms. Gallo, you pulled this item. >> Gallo: I did. Good morning. Is it still morning? Almost. I just wanted -- I just wanted you to walk through some of us that

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have served on the council committees that have been dealing with this for awhile are pretty knowledgeable, but I just wanted you to walk through the ordinance and kind of explain the program and the fees that will be created. So just some history on this and what it's intending to accomplish? >> Very good. Rebecca Gallo, assistant director of neighborhood housing and community development. I'm joined with our lead on the project, Lauren Aviolla, and I know that you have heard from her quite a bit. I will turn it over to Lauren so she can walk through the basic components of the amendment. >> Thank you, councilmembers. Again, my name is Lauren Aviolla. I'm a planner with the neighborhood housing and community office. In response to councilmember Gallo's question, staff was directed through two resolutions that were passed by city council. The first in November 2015 and the second in April 2016 to develop a draft ordinance to amend the land development code and insert requirements for tenant relocation assistance in situations where multi-family redevelopment was displacing tenants. And then later that second resolution I mentioned that was passed in April of this year extended the effort to include displacement that occurs from mobile home parks. So pursuant to that direction, staff is recommending sort of two things. The first would be the draft ordinance that you have in your backup for Thursday, which includes some notification requirements when work is being done on multi-family buildings that would demolish them or when rezonings or other redevelopments of mobile home parks would displace tenants. And I can get into the particulars of that in a moment.

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But the second piece of the staff proposal is to create and find funding for a program that would sort of implement these requirements. It would be housed in neighborhood housing under staff's recommendation. And would have a financial assistance component for income eligible tenants that are being displaced as well as and by a third-party redevelopment organization that the city would contract with. So a lot of the program elements are outlined in the memo. That is also included in your backup for Thursday. But we can go through the ordinance first and just talk broadly about the requirements. >> Gallo: Let me just -- because I know it can be a very lengthy conversation what you will probably have on Thursday also. So the things that I see with this is there appears to be a lot of missing elements that are left with city staff to come back and develop after the ordinance would be passed and those would be things like the program guidelines, the notification forms, the applicant fees, and so my concern is it looks like we're passing an ordinance without those things being in place to know what we're actually passing. And I know those would come back to the council to be discussed and passed, I assume that they would, but still it just seems like there's a lot of missing pieces within the ordinance. So maybe you could kind of target your discussion to that and how that would be. How that would be addressed moving forward. >> Very good. You are correct in that there are not program guidelines that have been developed yet. As you know, the policy implementation, the amendment itself would set forward a number of other transactions. Staff would then look

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toward the policy itself to develop the guidelines. I will say in just looking at all of the work that's been done, what staff is seeking is the amendment itself with the signal that the Phil note of roughly -- the fiscal note of roughly a million five would be coming to develop the program guidelines. Once the anticipated fiscal requirement is signaled by council we feel at that time it would be prudent to dedicate the necessary staff time to work again with the community to develop the program guidelines. So I do want to be forthcoming in that about January to May or June there has been a pretty extensive outreach initiative that's been underway, but we do anticipate that with rules postings and the development of the guidelines we would be going back into stakeholder conversations to develop feasible, certainly legally feasible and programmatic guidelines that would work both for the -- would work for the customers, tenants as well as city staff. So we can walk through that, but I want to acknowledge you are correct in that. >> Gallo: So the 1.6 million that you're saying would take to begin to implement the first year implementation costs, are you looking to the city to fund that as part of our budget conversation that's coming up? >> That's correct. Another piece of the backup for Thursday is a spreadsheet that asks titled general cost -- that is titled general cost estimate and it breaks down some general line items where that 1.6 million estimate came from. It assumes a couple of things, which -- not going into all of the details, feel free to stop me and ask questions, but it assumes that the city is providing the financial assistance for all of

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the income eligible tenant households that are displaced in a given year that no private fees are collected in that 1.6-million-dollar figure. It also assumes that 275 tenant households are eligible. 200 of them from a multi-family development and 75 from a mobile home development. And then it includes administration costs. So administration and staffing across development services, planning and zoning and neighborhood housing as well as changes that might need to be made to the Amanda electronic development tracking system. And other costs like preparing innovation packets for tenants, making sure that they've been translated. And then also a third-party contract as I briefly alluded to earlier, the organization would provide the housing location assistance and act as a fiscal agent to disburse any

assistance on behalf income eligible tenants on things like security deposit, moving a mobile home or getting a moving truck to move your belongings from one apartment to another. And those types of costs. So so the first-year estimate includes the financial assistance for it is not, as well as these administrative costs. And then, finally, a nexus study, which -- >> Gallo: Before you move orientation I've got a question. So how did you come up with those numbers? So when you talk about 300 eligible apartment households and type 575 -- 75 mobile, did sd already have applications for projects that show -- that would qualify that would show that these number of it is not are being displaced? I mean, how did you come up with that number? >> So currently we don't track displacements through demolition permit applications

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or site plan approvals. So we looked to sort of the more high profile displacement events that have occurred in the past several years that have sort of prompted the resolution. For example, shoreline, lake view. I think lake view is around 200 households, shoreline was like 90 to 150, depending on sort of what year you decided to say that people were moving out because of the redevelopment plans. And then cactus rows mobile home park is, you know, a mobile home park that is in the process of redeveloping, and that's upwards of 50 households. So based on those high profile cases, staff sort of set these hypothetical numbers at 200 apartment households and 75 mobile home park households but that number could vary year by year. One of the things that the ordinance would enable us to do is to start track these displacements because we would be able to alter the demolition permit applications, for example, so that we're tracking how many units are being DEM ol you should, if they're occupied at the time that the permit is submitted. >> One of the things that I also wanted to state in concept, so there is an assumption being made and a request for funding being made on activity where we do not anticipate there be an additional entitlement by developers. And in that, that is the funding that we are requesting the city put forward to fund programmatic needs. There is another set of activity, however, where we anticipate that through zoning activity developers will be counseling in, for example, requesting additional entitlements through planned unit development, through activities such as that. We are requiring in the proposed amendment that the developer pay a fee so there

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are actually two sets of funds being utilized to program tenant relocation needs. If that makes sense. And I'm happy to elaborate on that. We did work very closely with law because what was very important to us is we wanted to bring something forward that was legally feasible today, and so we have a comfort level in what we're proposing that funding we are asking for tenant displacement services that are not coming from additional entitlements being granted by the city would be funded by the city and then the entitlements of course on the end of the developer receiving additional things through zoning, the developer would be paying a fee toward that. Is that correct? >> Mm-hmm. And to be clear, any private fees that might be collected are not reflected in the cost estimates that were provided. Because of the recommendation for a nexus study to be conducted to determine what those costs should be, what is proportionate to the impact that the displacement is causing. >> Gallo: So is there -- is the delineation between the two types a response of the concern of rent control, the perception of rent control being part of this? >> It is definitely a concern as to the legal constraints today, given our advice by law and working with them closely. I don't know if necessarily rent control is one, but it is a very specific environmental scan of what they feel is legally feasible today that they feel very comfortable we could move forward in program guidelines. >> Gallo: Okay. So I think that on Thursday perhaps a discussion about the concerns and about this being

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possibly perceived as some type of rent control, I think that -- on Thursday I think would be a good day to talk about that and then legal can be here to discuss that. Very good. >> Mayor Adler: Mr. Zimmerman. >> Zimmerman: Councilmember Gallo, is that an executive session recommendation for legal counsel behind closed doors or something we can do in open session or what are we thinking? >> I'll talk to Brett Lloyd about it because I know he's worked on it in hcd and figure out the best way to go from there. >> Gallo: Thank you. >> Mayor Adler: Yes? >> Renteria: I wondered if we could have this one heard at 6:00 P.M. Time certain? >> Mayor Adler: That would be fine. >> Renteria: Thank you. >> Mayor Adler: We may call it in executive session earlier in the day if there are questions that exist but we won't act on it and when we come back out we'll note that for 6:00. >> Renteria: Thank you. >> Mayor Adler: Anything else on this? Me, Mr. Casar. >> Casar: I would just express that I understand that there will be some program guidelines that have to be written out later and look forward to that discussion on Thursday. I know this has come through our committee several times and there's been a lot of work put into this so I appreciate that work so far but I do understand that there's still work left to be done. My quick scan of this is that at least getting something on the books to help it is not with notice issues, you know, seems pretty common sense to get going, and I -- but figuring out in which situations the developer pays versus the city funds versus how much the city is obligated to fund versus how much we already can fund, those are conversations I'm interested in having with the council and the community, but it does seem to me that some of the baseline provisions that have gotten less publicity around just getting it is not the basic right of knowing if

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they're going to be displaced seems like a good starting point where I hope we can all agree it makes sense to get moving on some of that. >> Mayor Adler: Any other further comments? Okay. That's good. Thank you. Thank you very much. Ms. Houston, you pulled number 17. This was prudent technologies. >> Houston:thank you all for being here. Just a couple of questions on -- is there no other way to protect the salamanders and do what needs to be done? Because this cost of 1.7 million is a lot. And then I have a question about is there a contingency fund in case y'all have a cost overrun and what are the plans for that? >> Good afternoon, mayor, council, Joe, director of the watershed protection department. Item 17, this is the Eliza spring outlet daylighting project. This project is bate of the council approved Barton springs master plan and also an element of the Barton springs habitat conservation plan. Just as a reminder that conservation plan that we developed with pard and the U.S. Fish and wildlife service is part of an incidentally tank permit which allows us to use Barton springs as a recreational facility. In terms of alternatives and how to go about doing the same thing at a lower cost, I'm gonna gladly turn that question over to Chris Harrington to my right, who is the supervising engineer on this project. >> Chris Harrington with watershed protection.

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Effectively what we have is the buried pipe. Back in the '20s the outlet from Eliza springs was buried with fill, it's failing, collapsing over time so we have to take some action. As part of our agreement with fish and wildlife service we wanted to daylight that buried pipe so it actually becomes salamander habitat so by increasing the area we can increase the resiliency of the species, changing conditions. If we did not actually daylight that project and replaced it as is effectively with the pipe we would have to go back to the fish and wildlife service and renegotiate our measures. They constitute a major amendment

and so that would be potentially a two-year process, we would have to pay for potentially another environmental assessment which could be over \$120,000, that's how much we paid for the first one, and we would have to go in and do all of the permitting over again since it would be a very different project and there's a lot going on because of the complexity at this lockers it's in a floodway, adjacent to historic structure, it's in endangered species habitat over the recharge zone so it is a complex environment which contributes to part of the increased costs as well as the fact that this is a very dynamic and competitive construction environment that we're in now. So it does -- it did end up costing significantly more than initially anticipated it to cost and in fact when we envisioned the project even well before 2009 when council approved the Barton springs master plan it's something we had envisioned doing with in-house resources which would have made it significantly less expensive but, again, because of the complexity, high degree of unknowns, that's something that we determined during the development of the project that would not have been feasible and that we needed outside resources. >> Houston: So most things that have come before us have some cost overrun so is there some contingency in here for this going over budget? Or is that just the absolute

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1.7 is what is -- is what it's gonna cost out at? >> There is contingency included in the cost. >> Houston: How much is the contingency? >> I can't say, capital contracting office. What we're asking for right now is permission to go and authorize negotiation with the contractor and so we'll come -- we're looking at that in terms of determining, you know, what those prices are, really digging deep into the proposal and looking at in terms of overall costs. Right now what we're asking for, the 1.4, it's sort of a cap but recognizing that we still got to go in and sit down and negotiate the overall scope of work with the contractor. So -- >> Typically those contingencies are about 5-10% of the overall construction costs. >> Houston: And that would be built? >> Yes. >> Houston: Okay. And I'm all for salamanders, I don't want the environmentalists to start emailing me but there are people in the community that say we pay more attention to salamanders and pets than we do people and I needed to help understand why we're doing a million four worth of work. >> I think I can speak to that. This is really part of the regulatory landscape we deal with with the endangered species act. When you look at our overall budget and we'll be in front of you next week to present our budget I think you'll see that our planned appropriations for water quality projects like this are about 10% of our overall appropriation. So when you look at everything else we do, flood control, erosion control, that's funded at an order of magnitude higher than these types of projects. >> Mayor Adler: If there are no further questions we'll go to the next item. Thank you very much. Next item is item number 25 pulled by councilmember Garza as well as the empty.

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>> Garza: Thank you for being here and agreeing to the postponement last time. I'm sorry, I have a couple questions. Being in the middle of budget and the tax rate, it's -- I feel like I'm doing my homing work the night before on a lot of the things that are before us. So the backup, it says that this new contract will -- it says that the earlier contracts -- let's see here. The proposed changes will expand those areas of responsibility to include all the work the acbb is currently performing. So that makes it sound like they're doing work right now that is not included in the budget allocated to them? Does -- I'm having a hard time understanding that sentence and there's a gentleman waving his head no behind you. >> Mark tester, director of the Austin convention center department. I don't believe the scope of work changes at all. It may get clearer, to clearly define the role of the bureau but the scope of work hasn't changed. >> Garza: Okay. And then it says the -- where was it? Additional goals for the Austin sports commission, which is a nonprofit corporation, were included in this contract. What does that mean? >>

So the Austin sports commission is part of the acvb and their job is to go out and capture sporting events such as the gate softball event, unfortunately playing in the rain today, but those events. They work separately because they get a lot of volunteers to help support the events. Both youth, college, and I guess just social sporting events, including college as well. >> Garza: Okay. And my main concern in pulling this last time was -- again, I'm sorry we haven't had a chance to speak -- it's more

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than doubling what the previous contract was. The previous contract was about 6 million, and this one is 16 million. And I'm -- you know, I know that Austin benefits from tourism and it helps that industry and it helps business and restaurants and, you know, everything around downtown area. At the same time I wonder where you gauge it so we don't become Las Vegas. I don't want us to become Las Vegas. When I see such a huge increase to our marketing budget for tourism, it concerns me a little bit that are we -- at what point do we start -- you know, obviously we depend on tower capitalism that's a great thing -- tourism and but -- is it affecting families who can no longer afford to live here because Austin has become such this wonderful destination. I also notice that there's an item by councilmember troxclair, I believe it's item 75, that is setting up a task force that will examine, you know, what we do with our hot tax and I know there's been a lot of discussion around that. So that all being said, I'm wondering if we can shorten the length of the contract? Because I think this task force that's being set up will inform the use of our hot tax going forward. So is there -- is it possible to make it a two-year contract instead of a five-year? >> The challenge with that, councilmember, is the bureau generally is selling and working and within -- out to five years so they're making commitments, financial commitments, host commitments generally or advertising commitments multiyear like in the support of British airways and some of the other things

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as the airport goes they're going to support promoting those, so those may be multiple years. That would be the challenge. For example, right now next year we're hosting the professional convention management association convening later, that's the super bowl of our industries. It's the association for meeting planners and that was booked I think in 2010 or 2011. So we made that huge financial commitment four, five years out and that would be the challenge, how can they make the commitment without guarantee they've got financing. >> Garza: And I had a brief discussion with acm Washington and I posed the question could we do a shorter contract and he said the problem was that some of these agreements are done 18 months in advance. So that's why I propose a two-year, hoping we could not affect anything that's in the pipeline but I just think it's a good idea to look at the hot tax and how it's used and I also asked questions in the q&a about why the allocations, the 20%, 15%, and it appears it was done by city ordinance. I know that's also regulated by state, state law as well. So the response says that even if we wanted to change more of the allocations to cultural, we couldn't because from what I understand from the response was you can only be 15% at the max. >> Correct. >> Garza: But I'd also -- I think this task force -- and I can't talk to the sponsor of it because it would -- I think she already has five sponsors so I guess just to my colleagues, I will be proposing a shorter contract because I think that this task force that councilmember troxclair has proposed will inform a lot of the questions we have about hot tax and how we invest that money. >> Mayor Adler: Okay. Anything else? Yes, mayor

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pro tem. >> Tovo: Yeah. I appreciate the conversation, and I, too, have a lot of questions. And I apologize I haven't had an opportunity to submit them yet on account of our calendar. And the tight schedule. But I have written them up now and will get them in. I would say I am a cosponsor on that item that councilmember troxclair has brought forward and I think that will be a really interesting group and will yield some good information. I would say, too,, though, that one of the things that I'm look at in the budget are potentially suggesting some changes in advance of that process and so I, too, am thinking that it makes sense to look at a shorter contract. The other thing that, you know, I keep coming back to, we do have -- it is really challenging, figuring out where the money is coming and going to and from with regard to the hot tax and what is a state regulation and what is a city regulation. But, you know, some of what I've been trying to do looking through various budgets and budget q&as and this and that is trying to get a handle on where there have been increases and what money is flexible. But in looking at -- and I think the easiest and most efficient way to do that is just to submit them through the q&a. But, for example, the tourism and promotion fund via city ordinance must go to conventions and tourism but it can also go to heritage tourism as I understand. Currently we allocate all the fund to go acvb and we do have needs in some of those other areas. Some of the other what I would regard and law may have a different opinion but I would regard as eligible expenses for some of the hot tax things, like some of the measures that mayor Adler has put on and councilmember Renteria with regard to music venue support, that appears to me to be an eligible expense, and so, you know, I think there are a range of options for how we use that money and

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we have a real range of pressing needs from, you know, providing restrooms in our downtown area for visitors and others to support for our creative artists and I think that -- again, I think the task force is gonna yield some good work but I think we may want to contemplate some of those ideas before then. Via the budget process. And I am concerned about making a decision on this in advance of that, and, you know, so you'll see some of my questions that I'm submitting through the q&a may be more appropriate for the budget process. It really crosses over that, but there are -- they're all tied. So I think I'll just ask a couple quick ones. Can you help me understand, is it accurate that the acvb contract is more than it has been the previous years and do you have the last couple years disciplined the funding percentage is essentially the same, it has been traditionally since 1999 but the revenue has increased through our strategies and success, yes, yes, the average increase since actually 1999, when the voters approved the convention center expansion has been an average of 8% per year. So, yes, we have been very successful. >> Tovo: Now I'm not talking, though, about the convention center funding. I was talking about the acvb contract. >> Yes. >> Tovo: How much was last year's amount and how much is this year? I've had some of -- you know, one of the challenges is I'm trying to piece together information, some of which is in the q&a process but hasn't been updated through this current year as I'm trying to line up the numbers it has been an impossibility but what would help me here today is knowing -- it looked to me like the contract payment for fiscal year '16 was -- well, it says the marketing plan budget was 17 million with a payment not to exceed 14 million. So my first question on that is why are those amounts different? >> They create revenue that --

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additional revenue is revenue they create on their own, through programs through the visitor centers and things like that. >> Tovo: The payment from the tourism and promotion fund that originated with the city, that originated with hot tax was 14 million? >> Yes. >> Tovo: Okay. Then this contract is 16,000,472. >> Correct. >> Tovo: Another option we might consider in the interim is keeping the

contract at the flat amount and preserving that additional 2 million at least through the budget process to have some conversations around whether our use of that additional 2 million in the tourism and promotion fund is best spent with acvb operations or whether some of these other needs, which appear to also be eligible expense cans, could be funded through that 2 million-dollar change. I understand that may not be a popular suggestion, but I would just ask you to address whether there are any big challenges you see for making that decision, at least as -- on an interim basis so we could get through the budget process and have that fuller conversation? >> I can't speak to if that's allowable or not use of funds. I can say we've already provided the bureau our -- the goal for next year of how much the tax increase would change with instruction. As part of their contract to develop a budget and a work plan. So is that work plan, again, has been created probably over the last five years of all the events that they've booked. So they are prepared to develop a budget, a flat budget of 16 million to present to council for approval and hopefully in the next few weeks. And the big difference in this year's work plan is that pma event that we have and the significant requirements that they have. So my challenge for them would be is there's probably not a lot of room within their budget without cutting a program or cutting staff in order to meet the requirements that they've already committed to.

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>> Tovo: And so it would be good to have a little more conversation around that through the q&a process or on Thursday, but I guess -- and I know my staff -- I probably am not gonna make it since it's in five minutes. I know my staff are at least gonna meet with some acvb representatives here today, but the amount that's available through the tourism and promotion fund is dependent on visits. So, I mean, that's not a surety that there would have been 16 million in that pot of funding. So I would assume -- >> So -- >> Tovo: -- Had the revenue come in less than that, they would have had to adjust their marketing plan and budget, which we haven't approved yet, right? >> So if the funds did not come in that we had budgeted, they budgeted, they ultimately would have to pay them back I guess in the following year or we would adjust the budget accordingly if the hotel tax tanked, again, if you will, if some major recession or something happened. I think we would have to adjust the number. But if not, we are paying the percentage. If it goes up for the convention -- so if we propose a 4% increase for the year and we have a 7%, that 3% is given to the bureau in the following year because we're giving them that same amount. >> Tovo: Right. Because the percentage doesn't change even though revenues have increased. >> Right. >> Tovo: So I think, you know, just to wrap up the conversation for today, I'm just very interested, again, given the number of real pressing needs we have, I think typically, as you said, the percentage has stayed the same and those additional revenues have just flowed to the same places. And I think what you're seeing from a lot of different areas through the resolution, through some of the concept menu items is an interest in maybe looking at and making sure that those agreements are still exactly where we want that money to flow or whether there are other opportunities that we should at least have a discussion about.

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Anyway, thanks very much for that help and I will -- I'll make sure I get these questions through to the agenda q&a process and probably duplicate them on the budget q&a as well. >> Mayor Adler: Ms. Gallo? >> Gallo: I'm gonna ask a question and it may be something you can provide information for Thursday for us. So the funding of the -- that comes out of the budget for the tourism and promotion fund comes from the hotel taxes, and could you help us understand how the purchase of that that is going to the convention and visitors bureau compares with other cities? So I'm sure -- and if you don't have that information now, but I think that would be helpful to know, what is San Antonio's percentage

that funds theirs? What is Dallas? What is Fort Worth? What is Houston? >> I don't have the flat numbers, but they are the lowest in our competitive set. >> Gallo: We are at the lowest. >> We are the lowest. Our bureau's funding is the lowest compared to combers. >> Gallo: I think that information would be really helpful to have on Thursday. >> Garza: If I could add to that request, percentage is important but it's also the actual dollars. So dollars, even though the percentage that San Antonio allocates, it could be more in dollars dependent on, you know, the tax. >> Gallo: That's a good point and a good addition, so having both would be helpful. Thank you. >> Mayor Adler: Mayor pro tem. >> Tovo: One more quick question. Again, I have a lot of them so I'm not gonna go through them but the one thing I am sort of immediately curious about, it looked like in the past the general fund and also Parmer and -- then it switched to the Parmer event center, they were also providing money for the tourism and promotion fund so it looked to me like it wasn't just coming from hot tax. Is that accurate? And has that continued? I only had informing up through fiscal year 2014. >> I believe that was for the music and film office, which

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was part of the bureau's contract at that time, that we had to request -- it was in the contract and it was originally coming from the general fund and, yes, part of the contract, 150,000, the acvb to have a music and film office. And that money wasn't in the general fund and it was moved over to Parmer and we found out that that was not a correct use of rental car tax and then that fund was starting to pay for the convention center. However, we found that that wasn't a correct use of the fund because that 150,000 was in addition to the 1.45 that was written into the contract. So in their two -- in the current contract that requirement for the music and film office has been removed. >> Tovo: Okay. Well, it looked like there were quite a few years where that had happened. Okay. I think at this point now that's a whole -- >> That was my short answer to a long story. >> Tovo: All right, yeah. Thanks so much. >> Garza: Mayor? >> Mayor Adler: Yes, councilmember Garza. >> Garza: I just want to make it clear that I understand the importance of the acvb because I'm starting to get emails from the Hyatt and because I guess I'm asking these questions. I'm not saying that we don't need to use the hot tax to market our city, and I've been presented with numbers that show what we've done thus far, how great it has been for our economy. The alarm for me is going from a six-year five -- 6,000,005 year contract to 16 million. If we're doing so great with that amount is it really necessary to triple that is my concern, but I just wanted to add that. >> I guess my answer to that for the bureau, is that is significantly more requirements of them.

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Both for advertising with our airport as they grow and also requirements of the event. Events come in and they ask for things and generally the bureau is the one that provides that, whether it's banners or sponsor another event or whatever. Again, in the case of pma this year, professional convention managers association, it is millions. We have John Deere coming in December, which is a at that point fabulous event for them. For us, as well for the city. And they have significant requirements that John Deere requires this we're gonna host that. As we grow, their requirements will continue to grow. Especially as we get more hotels, there's more rooms to fill. >> Mayor Adler: Okay. Next item. Thank you very much. And I'll be following your questions, mayor pro tem, to try and get some guidance for what the debate might be on Thursday. So I appreciate that. We have item number 39 and 41. Ms. Houston, you pulled those. >> Houston: 41 I -- on 41 I just wanted to know the five programs. They weren't mentioned in the backup. I think that's 41. >> Councilmember, that was item 42 that got withdrawn. >> Houston: Okay. Hold on just a minute. 39 and 41.

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>> Mayor adler:ms. Houston had pulled 39 and 41. >> Houston: 39. I'm sorry, I was taking -- trying to get to that. I guess the question, are these legacy programs, are these programs we're funding additionally or are these new programs in 39 -- hold on. Is that the right one? This is early childhood, right? So I'm gonna calm down now. Thank you. Tell me exactly what this program is. Is this to train folks who are interested in working in early childhood education? >> Stephanie Hayden, deputy director health and human services department. Item number 39 is with Austin community college teacher track, and so that particular program, you currently should be employed at a early childhood center if you're interested in higher education. And so the department at Austin community college that provides that early childhood development associate's degree, there are students that are allowed to go through -- we pay for three semesters of training, and it includes the books that they will need. It includes their tuition. And then it provides a stipend for them. So this one, 30, is strictly -- 39, is strictly Austin community college partnership and ensuring that persons that are currently working in early childhood are getting some additional education toward an associate's degree. >> Houston: Okay. And so is there any commitment on -- I see the number of unduplicated people served is, like, 27. Is there some kind of agreement with the people that they have to stay in that field so many years after they complete the training?

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>> Yes, ma'am. There is a commitment. So the 27 students are -- they're paid for three semesters and there is an agreement that they will stay for a certain number of years. I'd have to double-check, but I believe it's at least two years of employment. >> Houston: Okay. Thank you. And the other one, which one got pulled, Mr. Lumbreras? For the got pulled, right? 42 was withdrawn. So then 41. 41 is -- tell me what this is? Because Austin community college -- I mean, all of the usual people doing work for us are included in this item as well. >> Okay. So number 41 is an agreement with workforce greater area Austin workforce board. And so this is a -- it's actually a community collaborative where you have the city of Austin, Travis county, Austin community college, Austin ISD and head start, and so basically -- and the United Way success by six. So this group, they originated the child readiness -- school readiness action plan. But in addition to that, what this does is that it works with child care directors, owners, and their staff to provide several components, one of which is training for the directors and the owners. It also provides a stipend for child care classroom teachers that are within that child care setting center, and they do use an evidence-based tool so they can improve their

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interaction and really get the best training possible for young people with the early education. In addition to that, it also provides a decided stipend for parents that are -- stipend for parents that are doing a peer to peer program. So those parents are at some of the early childhood centers and there's about 60 parents that will go through that and basically they teach them distills about how to select an appropriate child care facility, how to give them parent educational skills for raising their children. And so it kind of really takes a holistic approach and it's an evidence-based program woman with the parents. >> Houston: So over the course of the grant we're saying we'll serve 560 individuals? >> Absolutely. So that's ranging from your directors, your -- yeah, so your directors, your child care providers, and then there's a 60 parents that will be served. >> Houston: So in outcome measures, it's difficult when we say 90%. If we could do a percentage and the actual number because when you use, as councilmember Garza mentioned, when you use percentages it just depends on what that number is,

whether or not it seems like we're doing a great job or we're just at six people. >> So with that particular -- those two particular outcome measures, for example, the total program -- now, the thing I would like to just kind of caution you about is with the majority of social service contracts, the city is not the total -- does not pay for that total service. So when we think about how many children or how many directors or anything can be served, the city pays a portion of a particular service. So the 90% is actually a goal.

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And so at the end of the contract term is when we get the actuals. So that's like a target. >> Houston: So of the 365,000 total for four months that -- four years, we only pay a portion of that? >> A portion of that. Because -- >> Houston: But for our portion, can we give better metrics about who went through, how many completed it, the program, the people that show retention in early childhood education so that we know for that million dollars we know what our portion of that contract? >> So if you look at the backup in the exhibit on page 2 of 2, and it is the performance measures are there. And if you look at the performance measures, it gives you a description of how we get to the 560. It gives you the number of individuals who completed an education program that improved their knowledge and then it also tells but the number of individuals that are participating in the program, so that's the 560. And then that's how you get to the 90%. So there's information that feeds into that numerator, denominator, in order to get to that target. >> Houston: Thank you. I'll go back and look carefully next time. >> Okay. Thank you. >> Mayor Adler: Okay. That's 39, 41. That gets us to 46. >> Zimmerman: Mayor. >> Mayor Adler: Mayor pro tem? -- I'm sorry, Mr. Zimmerman. >> Zimmerman: Thank you. I'm way over in the corner now. Sorry about that. [Laughter] Feels great. >> Mayor Adler: At least you know it wasn't directed at you. >> Zimmerman: So the question I got is in the first part of the statement here, I wonder if there's kind of a Freudian slip here. It says authorize award then negotiation, then execution.

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So it does -- it's not really my cynical side. It's just the way that we do business as we hand over the money. Then we talk about about, well, what are we gonna do? And then we go and do something and we have no idea if the money was used wisely or not. So what I'm gonna propose on Thursday is that we strike the word "Award" and strike the words "And execution." I've done this before and I'm gonna continue to do this. It's still really fuzzy as to what we're supposed to get for this money, and I'm convinced the majority of my constituents would say we should not be in this business in the first place, even if we could show a measurable improvement, which we probably can't. But I'd like to strike "Award" and execution" and see what gets togetherred and see if -- gets negotiated and see if there's performance metrics. I don't see this -- it's kind of a meaningless statement. So those are my remarks. >> Mayor Adler: Okay. Anything else on this item? Thank you very much. Mayor pro tem, I think this gets us to item number 46. >> Tovo: Yes. Thank you. And this is also economic development and they did not have a heads-up it was getting pulled until earlier today but I was hoping they might still be here. In any case I'll express my question, and that is that I do remember the resolution leading to the development of the analysis fashion and apparel industries in Austin current impact and opportunities. I remember both of those actions. I do not remember sort of further direction from the council asking to forward and enter into a lease agreement, though there is one noted here in the rca, it talks about on June 20, 2013, council

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approved a 48 month lease agreement, and I can't find that on that agenda, and I think that the report was actually done -- the resolution about the fashion industry was done in 2014, and then the report it looks like was completed in 2015. So I think we have the wrong date here for the real estate, for authorizing the real estate transaction. But in looking through the fashion report, and I think this is an interesting initiative. I'm glad the city is going to be a partner but when I went back to the fashion report it talked about being a partner with ACC and the possibility, and I'm gonna read here that the city may be able to participate in providing equipment and other technical resources. So I was a little surprised to see that the city is actually bearing the cost of the lease at ACC since we're partnering with ACC and I assume that that's their space. And so, you know, again, I was a little -- in part because we're in the budget and, you know, money we spend now is not available to us in budgeting for our needs next year. I did have some questions about why we are -- why we went beyond what was contemplated in the report to actually be paying for the leased space at ACC, which is our partner in this endeavoring in this new and interesting endeavor none the less but not a -- I mean, it's a real cost. >> So you Edwards, assistant city manager. Councilmember, I don't have all of those answers but I will make sure we get with Kevin and get a response to you before Thursday. >> Tovo: Thank you. And I will try to remember to submit it through the q&a, but if I forget to, if we could just get the date of -- the date that's noting council approval. I haven't been able to find that. >> We'll do that. Thank you. >> Gallo: I think those are really good points because I think this is an opportunity that public-private partnerships should be developed. I noticed in the background notes that you've got a technology company providing

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\$13 million for art technology and they're used by manufacturers, underarm more, fruit of the loom, the fashion industry at the higher level has dollars available I would imagine to help fund incubator type programs so I certainly think that should be an opportunity, too, versus perhaps the city using their dollars. But the fashion industry is certainly something we want to promote in this community but I think there are opportunities for a lot of private contributions too. >> Mayor Adler: Okay. Thank you. I think that gets us up to item 71. Ms. Houston, you pulled that bun. >> Houston: Thank you for being here and unless it's in the backup that I didn't see, who are the five on the board of directors and who is the one that we're appoint. >> Cindy Crosby, assistant city attorney. It's actually described in the draft resolution. The five that are being reappoint ready Elaine hart, sue Edwards, Tom Meredith, mell da wattly and melody barns and the one that is new is Alan sheer, replacing Fritz diner. >> Houston: Thank you. >> Mayor Adler: Okay. Thank you. The next item is 75. >> Garza: I'm sorry. Did you pull that, councilmember? >> Houston: I said I didn't do that. >> Garza: Okay. I think that's the one I -- >> Mayor Adler: You pulled this. >> Garza: Yes, okay. I know Ellen wasn't able to be here, but the only thing that I wanted to add that I would probably be putting forward on Thursday is of the task force -- and I understand the suggestion that, you know, of all these people and these people are also people that

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fully Austin. I just wonder if there's a way to add -- I don't know how to do it, your average austinite, some community type of person, this seems to be centered around downtown events, and I really do believe that these downtown events have a big effect on, you know, the rest of the city. So I'm just gonna add a suggestion that we try to put a community type person and it looks like councilmember Casar maybe has the same question? I don't know. >> Casar: Yeah, I'd like to work with you on that because I wasn't quite sure how to word it myself either and I was gonna go to the message board and propose an amendment. So maybe you and I speak afterwards. I'm also particularly interested in, you know, our tourism industry being successful also, should mean success for the people that work in it. So

I was also thinking about not just those higher level industry people but somebody that either worked in or was a representative of the interests of people who hopefully are given opportunity because tourists come and spend their dollars here. I'll have my office reach out to you and maybe we put up something to the five cosponsors on to the message board about a proposal of how to deal with those slots because I do think we need more sort of community representation of everyday folks. >> Garza: And I had a question. I don't know if -- it was more of a staff question. Are task forces always made up of just citizens and then -- because, you know, the resolution is addressing, you know, how tourism and maybe how our tourism or our hot could fund some of the infrastructure issues we face in the downtown area, which my opinion someone from public works would be a great part of that committee. And I understand, you know, I've been -- I was on a committee or task force, and staff is always available for questions, but I always -- I guess it informs them but have

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there ever been task forces where staff is on the task force? >> I'm not sure I know the answer to that question. I know that staff members can't be on boards and commissions, I think is in the code, but I don't know about a task force but I'll be happy to check. Input is certainly important. >> Yeah, councilmember. I think -- I'm sitting here trying to recall but I believe the city attorney is correct on the boards and commissions that is definitely something we do not participate. We staff them up, as you say, and we can certainly pull whatever staff we need to to provide the right connections, but I don't know if that was something we covered in 2-1, which is the one that established the boards and commissions which I will spells out some of the task force responsibilities. I don't know if Ms. Rios has any additional information because I know they probably have a whole lot more direct connection to that code reference. >> Clerk's office. On just -- just as city attorney Morgan mentioned, task forces are typically made up of either a member that is currently already serving or it can be a task force of members that currently assist through other -- I mean, a compilation of other boards. For example, the transition task force was made up of members from different boards and commissions. So I'm not aware of anyone ever having served as a member and as a staff member. >> Garza: Okay. I guess I'd just be interested on Thursday if anything prohibits it. >> Mayor? >> Mayor Adler: Yes, mayor pro tem. >> Tovo: I'm racking my brains. I feel like I can remember a task force where we did have staff on it, but I'm gonna go back and try to think about it.

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I also thought I remembered a situation where some council, maybe not one I had served on, have actually done a waiver to allow a staff member to serve and we do have boards, like the planning commission has several -- has the department -- the director of public works serve as an ex officio member and that typically hasn't -- that individual typically hasn't participated but then Howard Lazarus did so there are some examples I think where staff participate among the other board members, if not as voting members, at least, you know, sitting around the table and working on it. But I feel like we have had in recent memory a task force where a staff member served on it, but I may be misremembering. >> Jannette Goodall, city clerk. Off the top of my head I'm thinking it's very possible but I can't think of what it may have been. I don't believe with -- that there's probably anything that would prohibit it. Task forces are much more fluid, but we will check and confirm with law and send out a note later on today on that possibility. >> Mayor Adler: Okay. I think that hits all the items that we had on our pull list. With the exception of the manager issue. So we're gonna go into closed session right now to take up an item. To take up three items pursuant to section 551.071 of the government code city council will discuss e2, which are issues related to general obligation bond election and e3, issues related to sully versus Austin

in the western district court for the western district of Texas. Also we'll take up 551-074 pursuant to that section of the government code. The appointment and duties of interim city manager. E1 has been withdrawn. If there's no objection, we'll

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now go into executive session. It's the intent of the council to come out of executive session, back here probably as a body to touch briefly publicly on the city manager issue as well at a really high level, just identifying issues. Dr. Washington is going to be here to talk to us. Again, we're not going to be making any decisions today or even -- it's really high level intro to the subject. All right? So we'll now move to executive session.

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>> Mayor Adler: Okay. We are back out of closed session. In closed session, we took up and discussed legal issues related to items e2 and e3, personnel matters related to e4. So we're going to talk personnel matters related to e4. Interim city manager, which I think necessarily includes some conversation about permanent manager, insofar as that is the exit strategy for our manager. And like I said earlier today, this was an item put onto our agenda at the very last minute. We got formal word of this about 48 hours ago in workday time, so the purpose of today's discussion is not really to decide anything or even to exhaustively deal with anything. I think actually we're talking about a five- to ten-minute conversation that would identify issues at a -- at a really high level. So joy and Dr. Washington, what I think would be helpful would be -- and I know you really haven't had time to prepare for this, either. This is set for our agenda on Thursday. We may have another executive session on Thursday. May bring you back for this identical conversation after you've had more than a few hours to think about it. But in response to questions that either people generate for you now or give to you after the conversation today that come to mind because of the conversation that we're having, but at a really high level in just a few minutes, talk to us about the kinds of different ways or options or considerations that go into how we might be selecting a city manager. >> Well, I'll start and ask Ms. Hays to join in, but I think

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most immediately, the council would need to decide upon interim leadership for the organization and consider whether or not the person who might be selected for interim leadership would have an interest in continuing to be a candidate for the regular appointment for city manager. In some councils that's an issue; in other situations, that has not been an issue. And so that is a consideration that the

council would need to decide upon. And then, of course, the transition period for when the interim would -- city manager would begin working with the current city manager in terms of knowledge transfer for the organization. Beyond that, so the interim leadership is the first phase. The second phase would be looking at the process while the interim person is in place to begin the selection of the permanent city manager and engaging an outside -- what we would recommend would be certainly engage an outside search firm to assist in that process while there's interim -- interim leadership. And I believe, as was the case last time, the last -- when the current city manager was hired, and we would invite the council to give us some perspectives on different executive search firms that staff could recommend or go through a process of soliciting proposals and vetting that and determining not only getting the executive search firm, but how this council might engage other stakeholders in the process in helping design and facilitate a

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community engaged process that would allow council to select their next appointee. Joy, do you have anything to add? >> No. The department also has opportunities to talk about at what level you want participation from the human resources department in terms of the facilitation of the process. And we're also very committed to providing you some information relative to the transitional process that's taking place. In previous times when the city manager has departed for whatever reason. So we'll provide you that you as well for your review. >> Mayor Adler: Okay. There's many options and considerations I think at this point in this conversation today, and then again on Thursday. Let me ask some questions about what you said. So I'm understanding your recommendation is to get interim relatively quickly, then embark on the process to get the permanent, in getting the permanent, you indicated some initial considerations would be whether or not the interim would be in the running for the permanent spot or not. And then with respect to that permanent search, you said engage a -- your recommendation was to engage an executive recruitment firm. Would you state briefly why it is you think that is the right thing to do? >> Well, I think, number one, the executive search firm would have expertise in recruiting for chief senior -- city managers throughout the country and wore context, resources. Staff certainly has the capability, but in many instances, especially for a city this large, the practice has been for most entities to engage in a consulting firm. And that also allows people to make inquiries, express interest with some anonymity because for -- there's a lot of

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sensitivity among existing executives when they pursue an application process, and they're concerned about exposing their candidacy too early to their current employer. And so an executive search firm gives them an opportunity to have confidential conversations, inquiries about the process, and making sure that it's a good fit. And then they bring a certain level of expertise and credibility in terms of vetting and Independence as well, in terms of vetting and assisting in the city manager search. >> Mayor Adler: Okay. So with respect to to that, ultimately it appears if the council makes the final decision on the executive search firm, it could either happen as a result of your recommendation or we could send out, what, a request for qualifications, request for qualifications to see who bid or was interested in bidding? The pool of people that you go to for that, is it -- I guess there are probably some companies that have done a lot of this in this area, but the council could also consider to open that up a little bit more broadly in terms of requesting the proposals? Is that right? >> Yeah. >> Yes, sir. So as we define the qualifications as you all define the qualifications, if we follow an rq process, we'll allow to publicize those qualifications in any company that chooses to provide information relative to their desire to participate can do so, and we can follow whatever process as defined by this council, relative to evaluation of such

vendors. So it allows you a lot more flexibility to market that position to a broader group. We certainly have the capacity to share with you the vendors we've used most often, in a period of time, vendors that we've used in previous executive recruitments, so the council does have some options to look at ones that we've used before

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and identify that way, or go through a much more formal process to allow more competition relative to your analysis of which one will meet your needs based on the qualifications you define. >> Mayor Adler: Okay. With respect to that, if we were to do a national search and wanted to have significant community engagement in that process, about how long do you think that that might take, and about how much would be the range of time and range of cost? >> Relative to the time, what we've seen happen more traditionally, most recently, as you look at some of the other executive recruitments that we've done, we allow opportunities to get feedback from stakeholders at the beginning of the process, as you scope out the qualifications, the competencies that you look for, depending how broad of a range you want to do that, takes more time. The more people, the more stakeholders you involve in that process will elongate the time it takes to come to some final conclusions relative to qualifications. That can go out on the street. We think that a process of six to nine months is probably very realistic relative to this type of search. Of course that could be shorter or longer depending on the level of community engagement that you define. >> Mayor Adler: About what do you think it would cost for an executive search firm to help us? >> When we look at -- I would try to compare. 40,000 was what was actually in council's budget for the execution of the contract when we hired this city manager, but due to the time that it's taken, when I look at the cost that we have relative to the police chief, which I think is probably at the level similar to what you'd be looking at, anywhere from 90 to a hundred thousand. That also includes components not only of the actual work but the marketing components and the travel costs involved and other pieces that come with stakeholder activities and events. >> Okay. >> Yeah, let me just clarify. So maybe the base agreement may be somewhere in the range of 40, 50,000, but when you began paying for the additional travel cost for the consultant, the candidates, the overnight stays and the other, if the vetting

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process requires some further on-site visits to other communities, then that's when the costs start to inflate significantly. >> Mayor Adler: Okay. Now, there may be, you know, many different options which we can discuss over time with respect to processes for how we would go about that permanent manager search. Are there some processes you could identify now? >> Can you elaborate a little bit more? I mean, in terms of process -- >> Mayor Adler: It was a question as before you said one option, and you were kind of just going through, I think, a continuum. The council could operate as a committee as a whole? >> Oh, in terms of working with the council. So -- yes, so in terms of who would be giving -- providing direction to staff or the search firm, we could take ultimately direction from the council as a whole. The council could designate a person or persons to act on their behalf, so a subcommittee of the council, or if the council chose to, they could, I guess, by resolution, engage a special work group, task force of councilmembers, community members, or the other option, council could just designate staff to carry on the work on their behalf. So I think that would be very important. And going back to your earlier concern about time, there are lots of decisions that have to be made during a process like this in terms of feedback to the executive search firm, and so the more flexible that we are as an organization in providing that feedback, the less time it takes, the more formal we are of every decision has to come back to the council as a whole. Well, that 6 to 9-month period

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expands significantly. >> Mayor Adler: Okay. Then I guess the council -- if the council were to delegate to a subcommittee or to an outside panel, the council still could maintain ultimate decision or oversight on any of the decisions that were involved in that process. >> Well, yes. And I think the ultimate decision that's the council's is the decision to appoint and compensate. And so I think there's a lot of flexibility between -- prior to that point, where delegated authority could be given to staff or to other -- other members of council designees. >> Mayor Adler: Okay. And then one question that I think would be good for you to address that you raised was the push-pull between confidentiality and transparency. >> Yeah. You want to talk about that? >> So as we go through the process in terms of maintaining the integrity of it, one of the things that we want to focus on is ensuring that we market the position adequately to capture the type of candidate pool you seek. But in many instances, that candidate pool would like the opportunity to compete for the position and not make that public until such time as they are identified as a top candidate, which you've seen in many instances. So as you create a process, you want to create one that's transparent, that provides the level of community feedback that's appropriate to the needs of this position. In looking at the data that we saw from the previous company that did it, stakeholders gave key information relative to characteristics, key components to what they want to see, to allow you to incorporate that into your ultimate profile. So that allows you at the very beginning of the process to create some transparency with the community and some engagement to create it, but in that process, you want to also take into consideration the need for confidentiality as you go through a process of interviewing and providing those candidates an opportunity to participate without the public knowledge in their key areas and communities, but to also provide

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some communication once you've identified your top candidates, potentially. So these candidates you have identified as your top candidates, you then have the opportunity to reengage the community and stakeholders to say, based on what you said, based on what we've communicated, here is where we are. And then it allows this council, in addition to the stakeholders, to have additional information, not only from an interview process, but from your engagements from their communities, from their current work responsibilities, and so it ultimately allows you an opportunity to create that balance, where the community feels confident, and you feel confident, that the process you followed took into consideration the needs of the community, were also creating a process by which has a level of integrity that allows us to maximize our candidate pool, maximize those we bring into the table, but truly allowing you an opportunity to go through their process with some sense of transparency and confidence within the same process. >> Mayor Adler: Okay. >> Mayor, I think the same sensitivity of the attention that existed with the Austin energy -- Austin energy general manager will also exist with the city manager. And if you can recall, if the council will recall, the opportunity for the public to engage the finalists occurred when -- I think we were -- the top three or four were announced. If we had revealed to the applicants that, you know, if they had 20 or 30, that they could potentially be exposed to the public, then there may have been a reluctance by some to apply, knowing that their candidacy could have been revealed that early. So it's those kind of decisions that are going to have to be made in consultation with the search firm, so they know what expectation to create with the potential applicants. >> Mayor Adler: Okay. I would urge my colleagues, let's not talk about the pros and cons of any of the issues that have been suggested to us. It's set on the agenda for day after tomorrow, both in executive session and in public session -- it's not public? Is it set on executive session?

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>> There is an executive session set on a personal matter, but not a public discussion. >> Mayor Adler: Okay. >> So we can set it next week. >> Mayor Adler: Okay. Well, let's go ahead and do that. >> We can certainly circulate ideas as well. >> Mayor Adler: Okay. So at a really high level. Are there other comments or questions or issues to introduce? Mayor pro tem. >> Tovo: Yeah. I appreciate you being here today to start this discussion. Discussion what would be of help as we go forward is having some sense of some of the different processes we've used in the past, we as a city have used in the past for notifying and including the community and discussions about the city manager position, and perhaps if there are one or two examples from other cities who have more who had a process, that would be good too. I would just say I believe this is a community that's really interested and engaged in that city manager position, so I hope whatever process we craft will have a really significant component of public engagement as well because I think that will be important. So I'm really happy we're having this discussion about process so early so that we can really be -- be thoughtful about what that process looks like and, you know, it's my expectation that the council will move forward in identifying an interim manager pretty quickly and, you know, I think that's something I'd just like to convey to the community, too. That's my hope, that as council, we'll be able to identify an interim manager quickly enough that we really have that time to look and really engage a longer term search for a permanent city manager. >> Mayor Adler: Okay. Anyone else before we -- Ms. Houston? >> Houston: Thank you all for being here on this very wet, wet, wet Tuesday afternoon. Question about process. If you all could find out for me, in the past times that a

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city manager was hired, were the employees part of that stakeholder group? >> We have to do some additional research. We're now looking at the action dates and trying to correspond that with council actions to get that information for you. We can share a little bit relative to the process that took place with the city manager Ott's position, and we'll provide that to you once we've gotten those details so that you cannot only see how we transitioned from one city manager to the next, but what that process included in those entities where there wasn't direct appointments. >> Okay. Thank you. >> Mayor Adler: Thank you. Ms. Pool? >> Pool: Yeah. Thanks so much for coming on short notice to give us an overview. When we talk about city manager, I know it's -- we tend to use the word "Permanent," because what we mean is the official city manager but we have to be careful in Texas about using the word permanent because nobody's employment is permanent. So I guess, should we say official, the person that we would hire for that position? How should we term that, so as not to make some unintended promises? >> Maybe -- and I'll defer to Ann, maybe it's the appointed city manager and appointed interim city manager. >> Pool: Okay. >> Would you agree? >> That's fine. You can just use new city manager and interim city manager. Would that -- >> Pool: I think that would be easy enough to adopt. I would like to see -- I would like to see us craft a -- an approach where we can hear from the residents of Austin who really wanted to have some significant input in some of the past hiring that we've done at the executive level, and we weren't able to give them as much as I had hoped. So that's a really important piece for me. So I would be looking for some kind of a board or ad hoc commission or committee or something where we could make appointments or somehow have

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voices from the community that we select to do that, to do that work for us, or to be one of the layers for input. And I think it would also be important, to the extent that we can, I'd like to be able to know

who, in confidentiality, respecting the reasons that you have described, to the extent that we're able to know who all -- from what parts of the country people are coming from, even if we maybe don't know names, it would be really interesting, I think, just generally, and it could be something that we share in executive session if it's not something that we can do publicly. I would like to know who all is interested in coming to Austin in this kind of a position. So, yeah, having significant citizen input is probably my top concern. And then I think it's important that we do the nationwide search and that we find the right person, and it may be that it takes a little bit longer. I think the six to nine months is a good guess, but I think if it takes longer, we should also be ready to accommodate that, if the end result is the best person for us. Thank you. >> Thank you. >> Mayor Adler: If there's nothing else, I'll go ahead and adjourn the meeting. Thank you much for the presentation. And with that, work session is adjourned. We'll -- tomorrow I think we're budget work session.