

City Council Work Session Transcript – 10/13/2020

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[9:03:03 AM]

>> Mayor Adler: Today is October 13th, 2020. This is the city council work session. It is 9:03. This is being held virtually. We have a quorum present. Colleagues, we have some briefings with us this morning. The first briefing is going to be on covid. It will be our regular briefing from our Austin public health. Dr. Escott's office and also information on the airport concessions. Then we'll have the staff briefing and presentation on sales resolution so that we can discuss that. The goal is to take lunch about the noon hour.

[9:04:05 AM]

If we can we can take pulled items before or after lunch and we will conclude the day with the executive session, which has two items on it. Does that work for everybody? We'll go ahead and proceed. We'll begin this morning with the presentations from Austin public health, Dr. Escott, and director Hayden. Again as always, manager, congratulations on keeping the numbers low, although I tell you I'm scared to death as I see the number of cases go up, see other cities in the state now kind of losing a hold of keeping the numbers lower. Thank you for reminding everybody that the most important thing we can do is mask and social distance. Our ability to be able to keep schools open or keep businesses open is entirely dependent on how religiously

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our community really adopts those things, masking, social distance, washing hands. And we got down to I think 12 three times in terms of admissions on a seven-day average and we're now up to 15. While it's basically flat, it is creating for me a significant amount of anxiousness about whether we can really hold on to those numbers. Thanks for the work you're doing and your staff is everywhere doing a lot of really good work. So manager, I'll turn it over to you.

>> Cronk: Thank you, mayor and good morning, council. As the mayor said this is all the more reason to stay vigilant. This is a community-wide effort to combat this virus and we have been somewhat successful over the last few weeks, but we have to make sure that we continue those practices. We have an incredible staff

[9:06:06 AM]

team of professionals working tirelessly to navigate their way through this pandemic but it takes all of us and we as always appreciate the support we've received from this dais. As the mayor mentioned we'll have three parts of the covid briefing this morning. First we'll hear from director Hayden. Then we'll hear from Dr. Escott and then we do have a short presentation from our airport executives to give us an update on that facility. With that I'll turn it over to director Hayden.

>> Good morning, thank you, Spencer. I'd like to start out by talking about our epidemiologist and our surveillance team. That team really, really is a huge backbone of this response. That team is really spending their time now really providing the support to schools, higher education, our long-term care and our

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non-nursing home sites. It is so important for this team to work closely with the schools to provide this additional nursing and epidemiologist services with the cases because as you know, we can expect whenever more folks are at a facility we can expect to see more positive cases. So our staff are continuing to conduct investigations and they are providing that technical assistance. I'm sure most of you have heard some information about the vaccine and we want to share a little bit of information from you about the information we've received from the state of Texas. The department is reaching out to health care systems and community partners and we are establishing a

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covid-19 vaccine program plan, and what we're going to do is this team will develop a plan to distribute the vaccine. Our first meeting is going to be next Friday. And it's important for us to make sure that when we're working with this team we must identify priority populations and look at ways to distribute

the vaccine and look at our messaging and engagement. As we continue to work with that coalition, we have a large group of folks who will be with us from grassroots folks that are represented as well as health care organization and city and county folks. So we are looking forward to those meetings. According to the information that we received, the initial timeline shows that

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between November and December we can expect to have the vaccine. Now, I will kind of give a caveat that is subject to change. And that's what is the state has just reminded us is that is subject to change. But that's the most recent information that we have as of today. And so for November and December that vaccine is slated to go out to responders, first responders and health care staff so what the state of Texas has really, really -- has really pushed out and the the department has pushed out as well to partners is the process for them to enroll to provide vaccine to their health care staff, and we've also sent it out internally to our ems department as well. So knowing that is the initial target for November

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and December, then we shift to January through July. And so more vaccine will be available, and that is when we're going to use the information that we have based on data and the coalition recommendations and we will provide more vaccine January through July. And we are anticipating that initially it is going to be how we were with testing. As you recall, we did not receive a lot of testing initially. And as times went on more testing has become available so we just want to make sure that we have all in favor of the vaccine providers that have registered with the state and they are ready to provide the vaccine as well as we are. With the testing we continue to have our walkup sites, dove springs, givens,

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montopolis and walnut creek communities and we have our St. Johns site available. Just as a reminder, we are still doing visits at home, so if you know someone that may need that access I have a flyer that I can send you, and please haven't that flyer because we want that service to -- for people to utilize that service. With our locker room care incident management -- long-term care incident management team our folks are continuing to work in long-term care. Our staff are really excited because in the last 14 days there's only been about seven cases in long-term care and so our staff and the administratives that we work with have been very excited. As you know we're continuing to provide tests. Our dashboard is up but

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we've provided over 8,867 tests and as you know the facilities are receiving visitors and it is required by the state according to what the testing frequency for nursing homes will be. No Travis county it's one time a week. So whenever individuals are going to that location, they must show that they have taken a covid test and share that with the staff there. And most of them have put in place operations in order to do that. With our homeless update, we're continuing to work in our eating apart together program as well as our response for basic needs. On Thursday's agenda is a contract with good work Austin and that is a part of

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our eat initiative. With our protective lodges we have about 320 guests that are there and we will be providing new vaccines to the protective lodge guests. In addition to that, before the deadline staff coordinated to allow folks to come in to register folks to vote at those locations too. The last bit of governor news about our homeless and pro lodges, I am so excited to say that we have found 42 individuals have exited the protect active lodges to permanent housing -- protective lodges to permanent housing so we're real excited about the individuals moving into their permanent supportive housing. We're continuing with our ppe drive and over 5,300

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households have received over 21,000 masks and over 6,500 bottles of hand sanitizer. We are working with haca to host some distribution events to target seniors and other high risk populations, and I will be able to provide more information to you at a later time about that. With our rise 2.0, that process is still underway. We have some early data from that process. They received over 91,000 applications, which was significant. And as you know, they have to go through a process to select the folks that will be eligible and then there was a random selection process. So as of today according to the data I have, over 2,000

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applications were processed. We will be completing a -- sending out a report to provide more information about that process. Our childcare sites, we're continuing to work across the county but we do have six focus zip codes that we are providing technical assistance to in our community. It's going to be important that our childcare facilities have the support they need throughout this response. That completes my report. I will turn it over to Dr. Escott. Thank you.

>> Thanks, Stephanie and thank you, Spencer. -@I'll ask av to pull up my slides. I appreciate the opportunity to update council on our covid-19 response.

[9:16:26 AM]

Next slide, please. Mayor and council, this is an update of our new confirmed cases in Travis county. Once again, the yellow line is the seven-day moving average. As you can see, we had been on a decline. The past couple of days we've seen an increase in cases. Yesterday we reported 133 cases, which brought our moving average back up to 77. So again, a couple of days, a few days of increase and we'll have to wait and see what this week looks like. Certainly we would have preferred to see an ongoing decrease. I will say that we are looking at the projections from UT and how they have changed and I will talk about those on the subsequent slides. Next slide, please. This is a graph update of our new admissions again, the yellow showing the

[9:17:27 AM]

seven-day moving average. Yesterday we reported 10 admissions which brought our moving average to 15. This has been, as the mayor said in his opening statement, oscillating between 12 and 15 for a month now. We've hit 12 three times and three times we've bounced up on the 15 mark again. Again, we are not clear yet if we're going to continue to oscillate or if this is a new trend as we've seen in other jurisdictions around the state of Texas. We do have several cities that are certainly in an upward trend pattern and we are certainly concerned that that could happen here as well. Again, when we look at our admissions and where we were back in June, we were at the same stage and then three weeks later we were in a crisis stage. So again, as we have been

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taking more risks, we've seen things maintain relatively steady. As still being a bit, but we have to be concerned about tipping the value too far and entering that hockey stick appearance again so we will need to pay close attention over the next three weeks to ensure that if there's evidence that that's happening, that we scale back again in terms of risk. With our priorities being keeping our schools open. When we look at the projections from UT, UT is projecting that there's about a 66% chance that the epidemic is growing right now in Travis county, in the five-county msa. The projections for November first in relation to admissions is that that seven-day moving average will go from 15 to 28. Which certainly should give us some pause right now. Again, we are focusing on

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the masking and the distancing and the personal hygiene as the way that we can continue to keep things flat. If we relax those protective measures, we are going to see an increase. And again, as we've just opened aid schools, del valle schools this week, as we've seen restaurants open a bit more we've got to continue to ensure that we are staying vigilant as a community when we're outside of our home to ensure that we can keep this spread of disease under control. Next slide, please. This is an update of our hospital data. So the blue is showing our hospital beds being utilized for covid-19 patients. The Orange is icu beds and the gray is ventilators being used. The hospitalizations yesterday were reported at 88, which is a moving

[9:20:29 AM]

average of 84. This number has been increasing over the past seven days. Icu beds, 32 reported yesterday with a moving average of 28. That number has been increasing over the past 10 days. And ventilators being used, 22 with a moving average of 18. That number has been increasing over the past week. So again, while our hospitalizations, our new admissions have been oscillating a little bit, we have at least a week, and in terms of icu beds, 10 days of instead increases in terms of those beds being utilized. When we look at the projections for November 1st, for hospitalizations, that moving average is projected right now to move from 84 where it currently is to 130 by November 1st. Icu moving from 28 today to

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46 on November 1st. The projections we've been seeing over the past several weeks from the UT modeling has been relatively flat from the end of October through the first of November. Now we're seeing is projected to have a significant increase. So this is not forecasting because we can still change the forecast. If the we engage in that protective behavior, if we continue to mask in social distancing and pay attention to that personal hygiene, we can flatten those projections again to ensure that we can keep our schools open and keep our businesses open as well. Next slide, please. This is our graph of hospitalizations by race and ethnicity. Last week we have our green line, which represents our latinx community at 50% of

[9:22:37 AM]

total hospitalizations or new admissions for the past week. The gray line at the bottom represents our African-American community, which represented 12.5% of our admissions over the past week. Again, both those communities are over represented in terms of hospitalizations and the impact -- the

disproportionate impact of covid-19 on these communities of color remains very clear. Next slide, please. So councilmember alter asked for if we could represent this data a little bit differently. And that's this slide I'm showing you now. What this is showing is the total hospitalizations week over week. You can see that's been relatively flat. The colored bars show the

[9:23:38 AM]

same thing as the last slide but show an overall number of hospitalizations last week. You can see it's been relatively instead in terms of the hospitalizations by various race and ethnicities over the past several weeks. You will see, however, that last week we had a significant increase in our percentage -- number of individuals in the African-American community that were hospitalized. This graph is not going to show the total hospitalizations because we don't have the individuals where we have a classification for race or ethnicity. Next slide, please. This is an update of our hospitalizations by age group. We did see a significant increase in our hospitalizations for individuals in the 70 to 79 and 80 plus age group. They had a 68% -- they

[9:24:40 AM]

represented 68 -- 68% increase compared to last week in terms of hospitalizations. So in particular that 80 plus group had a sharp increase in the number of new admissions to the hospital. Again, when we see these increases in older age groups, unfortunately that means that we can anticipate increased deaths associated with covid-19 in the coming weeks as those individuals have a substantially higher risk of mortality from covid-19. Additionally you see that the 10 to 19 age group in gray, third from the bottom, also had a significant increase last week. Next slide, please. Similar to our race and ethnicity graphs we've organized these by total admissions week over week so you can see we've had relatively steady

[9:25:41 AM]

hospitalizations over the past five weeks, around 110 week over week. You can see that between last week and this week our admissions for that 80 plus age group went from seven to 15. You can also see that at the bottom of the graph in the gray last week we had one admission in that 10 to 19 age group, and this past week, October five to 11, five admissions. So again, we'll continue to report those and ensure that these are also available publicly via our dashboard. Next slide, please. This is an update of our positivity by week. Last week, week 39, were reported at 3.98%. That's actually increased with additional data up to 4.0%. The new week that we're

[9:26:41 AM]

reporting, week 40, 4.0% also. So relatively flat. We do have a team working along with Microsoft so we anticipate a transition to a new dataset for next week's presentation, which may refine these numbers a little bit based on some additional data cleaning and elimination of duplicate records. So I'll talk more about that next week, but in terms of positivity rate, things appear fairly steady at this stage. Next slide, please. So we look at that same dataset broken down by race and ethnicity. It's what I'm displaying here with the red dotted line representing that five percent mark. You can see that I've also included week 41 on here. Again we only have partial data for week 41, about half

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the data points we have for the other week. So week 41 in particular is going to be subject to change. You can see that we've had ongoing decreases in our percent positivity in the gold bar, which is our latinx community. Week 41 is about 7.1%. We have seen increases week over week in our African-American community with week 41 right now showing a 5.4% positivity rate. Again, those numbers are subject to change, but we will continue to pay close attention to those and report on those as well. Again, our goal is to get all of our race and ethnicities below five percent. Ideally we as a community and across our race and ethnicity would really like to be below three percent. We will continue the efforts that director Hayden

[9:28:41 AM]

mentioned focusing on our communities of color to ensure that we continue to push down this positivity rate. Next slide, please. Again, this is the same data except broken down by age group. That gold bar is one that we have focused on in the past, the 10 to 19 age group, which we had been seeing Progressive declines in positivity. You can see that our current data, week 41, shows a significant increase in positivity in this group. And we've also seen significant increases in our 80 plus age group, which are represented by the pink bar on the far right. So again, we will continue monitoring these situations and continue to encourage our schools and our parents to get those individuals tested in that 10 to 19 age group. We've also encouraged them

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particularly individuals who are participating in extracurricular activities, like football and band, cheerleading, and other activities, to consider proactive testing even if those individuals are asymptomatic because of the increased risk in those groups, it would be important for them to get

tested even if they're asymptomatic to help control the spread. Again, we are awaiting a weekly report today regarding our school situation and clusters associated with schools. We expect to present those tomorrow to the immediate why. The data that I have in hand now is that the pattern has continued in terms of those outbreaks or small clusters being associated with extracurricular activity and social gatherings. We don't have evidence in hand right now of any spread or clusters

[9:30:49 AM]

>> As director Haiden mentioned earlier this is an update of our long-term care facility dashboard which is available on our website. Seven cases in the past 14 days which is fantastic. Our strike team, our nursing homes, our long-term care facilities are really doing a very good job of preventing spread in those facilities. We've had a lot of partners working on this, including the university of Texas in their research group. So we're hopeful that this trend continues. I will remind council and remind the community that our elders are at risk, particularly those over the age of 65. So if we intend to visit in a facility or in a home, a family member or loved one that's in one of these more vulnerable age groups, then we ourselves have to protect

[9:31:50 AM]

them. We have to make sure that we're behaving in a protective way in advance of that visitation. So if you want to go visit somebody in a nursing home or long-term care facility, or you want to go see a parent or a grandparent, in those 14 days prior to that visit, your risk-taking should, very, very low so that we can ensure that we don't spread disease to those family members and friends. Again, we have clear evidence that asymptomatic spread is possible, mild symptomatic spread is possible. So the best thing we can do is act in a protective way in advance of those visits. Next slide, please. Mayor and council, this is a snapshot of our environmental health services covid-19 order enforcement from the

[9:32:51 AM]

previous week. Last week, the team targeted 78744, 78741, 78754, 78753 and 78 # 758. Primarily because these have been areas of significant activity of covid-19. During that time period, they performed 1121 inspections. They issued warnings for mask violations in 207 circumstances, with violation rate of 18%. Now which is the lowest it's been since they started this effort back on 8/28. In the past, we've been seeing violation rates of about 25% or so over those weeks. So we're pleased that the violations are decreasing and I hope this is an indication that our community continues to prioritize protecting our population and our

[9:33:53 AM]

vulnerable individuals. Next slide, please. I know this is a covid-19 briefing, but it's flu season. So I wanted goif you a brief update on that. Luckily, our flu activity has been low. We had two total positive influenza tests with a possible I have thy rate of -- positivity rate of 2.13%. If folks haven't gotten their flu shot yet, now is the time. We can suppress influenza. We have a vaccine for it. The vaccine works well. It's well published. We've seen its efficacy in the southern hemisphere this year related to flu season and historic low influenza seasons in the southern hemisphere. So our hope is that our community will embrace the influenza vaccination. It is available through

[9:34:55 AM]

Austin public health, community care, pharmacy all around the county as well as health care providers. So please reach out to your health care provider. Please go to a pharmacy, please get your influenza vaccination today. Next slide, please. Again, mayor and council member, we remain at stage 3. You know, our projections in previous weeks have indicated that we may go into stage 2 territory. Right now the projection over the next three weeks does not appear that this is going to happen. Again, it's possible to happen. It's possible for us to still change that forecast if we act in a protective way, we continue to mask and social distance and limit those social interactions. With that, I'll turn it back to you, Spencer, for questions.

>> Cronk: Thank you, Dr. Escott and director

[9:35:56 AM]

Hayden. Why don't we pause here for questions and then we'll have our airport executives come in for the final part of this covid briefing. I'll turn it over to the mayor to address any questions that come from the council.

>> Mayor: Sounds good. I want to point out that we got our flu shots two days ago. It took us a combined 15 minutes to get them at the pharmacy. Easy in, easy out. And we encourage everybody to do that just to reemphasize last year our icu's were full just with people with the flu. I know a lot of people don't get the flu shot annually. This is the year to do that and it's just real important. Leslie.

>> Thanks, mayor, and yeah, I want to emphasize the flu shot piece. I am one of those who rarely has gotten it in the past, but this year will and I already have our apartments to go down to city hall when the flu shots are being

[9:36:56 AM]

offered there. So we're definitely on board with the flu shots this year and hopefully for the vaccine on covid when it has been approved by the necessary approving entities. Dr. Escott, I have one quick question for you. I'm looking at the desktop version of our dashboard, and I see -- and what I was looking for was recovery data. And I see that we have a chart that shows cumulative cases with estimated recoveries and active cases by date. And right next to it it shows msa current hospitalization and icu. I was wondering, could we include on that last one the current hospitalization ventilator use a -- the data that shows recoveries? To show people who have been released from the hospital and who have -- who are no longer at a critical place?

[9:37:58 AM]

I'm looking for the positives here for recoveries.

>> So, council member, there is on the main dashboard there is a graph that shows active cases and recoveries.

>> I'm looking.

>> You do have to toggle one to the right.

>> Okay, that's on the one that's the [indiscernible] And active cases by date -- well, it shows Texas -- I'm looking for where we actually have a specific focus just on people who are recovered.

>> Yes. There is a graph in there that displays active cases. I'll work with the team to see if we can update that to make it clearer.

>> Because I'm looking at the same up with you're looking at and I was thinking it was in there, too, but it says estimated

[9:38:59 AM]

recovered -- that big purple swath.

>> Yes.

>> Recovery data transition. If we could get a little more specificity on the numbers so people can understand. That's actually pretty impressive the estimated recovered. I think that's a hopeful sign. I hope I'm reading that right.

>> Yes. And you'll note that the yellow bars which are the active cases --

>> Right.

>> -- Have been relatively flat for quite some time.

>> Right.

>> So that's another good indication.

>> And then we can maybe start talking -- including that 15 people left the hospital today because they recovered kind of thing in our roll out of data points. Thanks.

>> You bet.

>> Sorry --

>> What I want to know is

[9:40:01 AM]

the enforcement of this -- y'all said you issued 1,121 inspections and you issued warnings. How do y'all -- do y'all just go around these zip code areas or do people call them in? And if they do call in, what do y'all actually do? Do you go out there on site and inspect it?

>> So with these targeted zip codes, council member Renteria, I selected those zip codes and it is based upon looking at our positivity rate in our community. And so this was a part of an initial sweep, and so they go to restaurants that have -- that we've issued a license to, but they also go to businesses.

[9:41:03 AM]

And so they use a checklist. And so they are looking for folks to make sure that they are adhering to the orders that we have in place. They are looking for signage, so it's very similar to the restaurant inspection. Some of the other ones, it's been a little mixed because there has been some additional enforcement efforts that we teamed up with Austin fire department, with Austin code. Some of those are complaint-driven, and then some of them also are additional sweeps where we've identified locations where we need to do some initial enforcement.

>> Well, that's really great. The reason I was mentioning that is that, you know, I live near a park and I do see some activities there on the weekends that are, you

[9:42:06 AM]

know, almost like super spreader events where people do not wear masks. There is no social distance and I was just wondering if someone saw that and they called 3-1-1, will they go out there and invest that?

>> Yeah, typically, to be full transparency, if we have, you know, the staff available that can go out to that site, typically we can send someone out. If it is a, you know, a park facility, you know, we typically work well with them as well.

>> Okay. Yeah, because I've been noticing an increase of these type of activities going on, especially during the weekends, on Saturdays and Sundays and I'm just very concerned that our hispanic community is not taking it very serious, that they can transmit that covid-19 out there and then

[9:43:07 AM]

go back home and give it to your parents. So I'm very concerned about that. So thank you for letting me know that you can call 3-1-1 and I will work with the parks department to make sure that they go out and inform the people that we're still in a pandemic and that we need to make sure that they abide by the safety requirements so that they won't go round spreading this horrible disease. Thank you.

>> You're welcome.

>> Mayor: Thank you, colleagues. Anything else for these folks? Again, thank you for the work that you're both doing. Please thank your staffs for the work that you're doing and you're still in the middle of this. This is going to keep going on until the vaccines come. Good to hear us actually talking about distributing vaccines. Manager, did you want to do the airport presentation?

>> Cronk: That would be great. Thank you, mayor, council, and thank you Dr. Escott and

[9:44:08 AM]

director Hayden. As our airport executives get pulled over into the virtual room, we did get some questions on council on just the impact of the concessionaire program within the airport. As you know, this industry has been impacted significantly by the pandemic and we wanted to provide this opportunity to have our airport leadership give this update to council. So with that I'll turn it over to our Coe, Jaquelyn yat.

(No audio)

>> Good morning, can you hear me?

>> Mayor: Yes, we can hear you.

>> And my video -- all right, so we do have a presentation. Good morning, everybody.

[9:45:08 AM]

There we go. All right, as the presentation gets pulled up, I wanted to take the opportunity to thank you for the invitation to give you an update on what's going on at the airport and specifically to the concession. With me today also is going to be the chief finance and revenue officer, Mr. Patel. And we'll be toggling the presentation between himself and I. So we'll go ahead and start right away. Go to the next slide, please. So quickly what we're going to be covering is just the overall impact of covid to the airport as a whole from passenger count and revenue as it relates also you'll see how it relates to the concession group and what relief we can offer to them. For fy20. And also we're going to be talking about the council resolution specifically on

[indiscernible] Give and update on how we responded to that and some of the partnership that we're doing with our concession group on

[9:46:09 AM]

other assistance that were given to them. So next slide, please. And if you guys want me to slow down, I can. I speak fast. Usually I tend to do that. So for economic impact, we'll go to the next slide and I'll show you what -- a couple of graphs for the next few slides that really talk about how the airport was impacted by covid. As you know, the Austin airport is an enterprise department that generates its own revenue through the airline passengers, parking activities, represent, concession fees and so forth. And we rely heavily on those aviation activity and the passenger traffic, and of course the financial health of the airline and more also of the activities going on in the city of Austin because we are not a connecting airport. We're more an O and D. So what that means is whatever passenger activity happening at the airport that's really where we generate the revenue. As you can see in that slide, and I'll specifically point the purple line which

[9:47:10 AM]

is the top one. This was our 2019, the green line with the sharp decline is our 2020. So you can see that we average somewhere -- we used to be in almost a 30,000 passenger a day to now we declined to about -- or I would say between a million and above per month. We went down a sharp decline to almost 10,000 in one month between March and April. It was a very sharp decline when the covid first hit. We are in a very, very slow recovery as you see the green line is going slowly. A few things we took in account right away when covid hit us and the revenue went down this fast is we started doing our financial measures in place right away we reduced our operating expenses heavily and we are in more what I would call a survival budget for fy20 and fy21. And we also only utilizing

[9:48:11 AM]

contracts that are mission-critical to keep the airport operating. For example, on the airfield or in the terminals for disinfecting or cleaning supplies and so forth. Next slide, please.

>> This one is more again on a trend. It shows you the sharp decline have low pressure 97% of passenger decline. And somewhere between March and April we went down to about 500 passengers a day only from 30,000. As you can see, we are now in September. We're still in a reduction of passenger count by 70%. We are again recovering very, very slowly. So we went down from 97% to up to 70 to 65 is what we're going through. Usually October and November we used to see an increase in our passenger count because of the activities in

[9:49:12 AM]

the city and of course because of the music festival and formula one. We're not seeing those numbers back yet. Next slide, please. This one looks specifically on a month to month number of passengers. As you can see, we range somewhere from October of last year, about 800,000 a month. Now we are at 200,000 a month. So all in all what I'm trying to say with those three slides is that heavy decline in passengers also showcased decline in our revenue from rental car, from parking and of course from concessionaire and the aeronautical revenue from the airline which is the landing fees also declined. So I'm going to hand it over the next slide to muki and right now he's going to talk more specifically to concession and the impact to them and we'll talk again

[9:50:12 AM]

about the resolution in a little bit.

>> Thanks, Jackie. I think everybody can hear me okay. Mayor, council members, city manager, thank you for inviting me today. This is my first opportunity to address you all. I've been on the job a little less than 100 days. I'm happy to support Jackie in the role of business and finance for the airport. If you could transition to the next slide, please.

>> This is our mission statement for our concessions program. And it's to provide passengers with an authentic food, beverage, retail experience that draws flavors from our diverse community to drive an original experience. We want people to know when they're in Austin Bergstrom international airport that they can get a good sense of what our community looks like, feels like, tastes like, smells like and they can also purchase trinkets and things to take home that are a good memory of Austin. Next slide, please.

[9:51:13 AM]

So our program -- sorry for the slide error there. The concessions map, it makes up 50 different individual food and beverage retail outlets across the Barbara Jordan terminal. This program has taken us many years to put together and it's mostly operated by three major prime operators that are licensing these brands to bring them to the airport from these brands that are on the street-side and they are operated in partnership with a mix of small business, minority partnerships, license agreements as I said or subleases in a very few instances. Next slide, please. One of our prime -- one of the three primes is hms host. They have add partners and they bring brands like parkside, 24 diner, noble

[9:52:13 AM]

sandwich shop and they've also introduced a couple of national brands after a lot of passenger surveying and demand, Starbucks was able to join the program recently. Next slide, please. Delaware north is a company that's been with the airport almost as long as we moved out to Bergstrom air force base and opened the airport. They bring famous brands like Salt Lake bbq, taco deli, as well as book people. And I'm really enjoying -- and of course everybody's favorite Amy's ice cringe is out here at the airport. Next slide. And parity's is our newest partner that came on board. They brought one of my favorites, they have salvation pizza and they also brought out a couple of

[9:53:14 AM]

wine bars, that also specializes in Texas hill country wine and you can actually purchase sealed bottles to take with you as long as you're post security. Next slide, please. The program itself obviously we are partners with airport experience news. It's a news and industry association that has ranked the program two years in 2018 and 2020 as the best program designed and best local inspired store in 2019 for Salt Lake. And nationally in usa today we have eels received awards and we're product of the partnerships that we have with hms host, and Delaware north in the program. Next slide, please. So I wanted to touch really

[9:54:14 AM]

quickly on the ecosystem that we have at the airport. Jackie touched on the fact that we were processing somewhere close to 30,000 passengers a day. Today we're down to about 8,000 passengers a day. So a 74 -- 75% decline in passengers. However, there is a little glimmer of hope here. The number of

badged employees has only dropped about 21%. So 6,000 badge holders prior to covid. We're operating with about 4700 total -- talking about our airport community here, not just airport staff, but the entire ecosystem -- with 4700 employees. Prior to covid our concessions employees a did massed about 11 percent of that population. Today it's down to about 173 employees as the concessionaires are opening and closing and adjusting their store hours based on passenger demand. It amounts to about 2% of the workforce for our

[9:55:15 AM]

concession employees are back on site. A lot of those badges are being held in a suspense mode so the employees do not have to go through a re-badging. They can just start the badge over again and one little point there at the very end of that slide, in 2018 when txdot did a survey, the direct and indirect jobs of Aus supplied the community with 74,000 jobs. And so we are really proud of that number. We're a large economic impact to the community. I think it's a total of about 6% I think of the total employment in the area. And we hope to get back to those numbers very soon. I'll trans goes back to -- transition back to Jackie with the next slide, please.

>> You're on mute, Jackie.

[9:56:15 AM]

>> Thank you. Sorry, I didn't realize I go directly into mute. So with the next slide I wanted to talk specifically about the council resolution and give you an update of what we've been working on. The resolution asked us to convene airport concession workers to a stakeholder working group and also work on creating recommendations for a return to work program and looking at possible federal and incentives that we can encourage those concessionaires to rehire their employees. Indeed we specifically did that. We did create a working group with all the concessions and we also invited other city departments like the economic development, small business working group, and the union folks also joined those conversations and we've had several conversations since may with them. And several meetings. Delaware specifically already complies with the collective bargaining agreements. So some of the working

[9:57:17 AM]

discussions we did with them in these working groups did not apply to them. And then we also looked at what can they do to their furloughed workers. So all the concession folks during those meetings had agreed to implement the programs to rehire their furloughed workers and report back to Austin airport as we recover through our passenger count. Next slide, please. So a couple of things that I want to

mention also is the FAA mandates that we offer any -- if we do offer any relief, we offer it in a nondiscriminatory and ethical and also fair to all our concessions and partners. So remember that our concession group, as far as food and retail, is only one of our partners. We also have the parking folks. We have the rental car and I know they've been knocking on the mayor's door and the city manager's door for relief for several weeks now. So initially when we.

[9:58:18 AM]

So initially when we talked about the concession relief efforts we talk about \$9.5 million relief in rent deferrals to all of our concession and stakeholders, and in specific numbers, as we close fy-20, we actually did defer concession feast fees for April, May and June coming up to about 4.5 million, and we also provided actually, I will short-term relief of a rent abatement for about \$6.8 million. We waived administrative fees through the end of the year for several things behind the scenes or them in administrative. But I also want to remind everybody that our revenue that we have in our budget covers our operating budget, our -- our expenses to keep the airport operating and also our debt service, which we have that service that belongs to the construction projects like the nine gate expansion, the Able hotel and all other debt we

[9:59:20 AM]

borrowed to the projects for the airport. So with that, I just wanted to make sure that I can explain that 8.6 was really what we had to look through our books and numbers for fy-20 and that is the best that we can offer to our concession group and our stakeholders as a relief. We also worked on creating opportunities for them with the small and minority business resource department and economic development department and the law department also assisted to see if they can apply for and -- for the payroll protection program or employee retention credits and financial assistance. So a lot of those companies that were mentioned earlier have looked into those programs and see if they actually can apply or not and if they qualify. So quickly for this, before I switch to the next one, Mookie, as I said, he joined as chief of business .. In finance for our

[10:00:23 AM]

airports, took over from Susanna who actually joined the economic development department recently, so Susanna initially was working with the concession group and then Mookie took over recently and between Susanna and Mookie I mean we have been -- we have had several conversations with our concession group to see what else we can offer, in other relief S will talk a little bit for the next slide here some of the other things that we have been working with them on. Next slide, please. And this is -- and this is more of -- next slide. I will talk about the partnership that we have had with our concession

group. So the majority of our locations were closed in April due to the city order or the passenger decline, and down by nine six-year to date so far, so with the passenger recovery and the numbers we are seeing .. Actually our concession group, all three companies that mookie talked about have been working

[10:01:23 AM]

together how to be able to open up and close certain locations on a case-by-case. So for example, during the sharp decline of passenger count we had eight Gates closed at the airport for quite some time, and some of those concessions in those areas close to those eight Gates were closed because there was no passenger foot traffic in those areas and it is numbers did not support any revenue, especially when we went down to 500 passengers a day. Right now we are working with -- to reopening flunk Craig with the passenger traffic, we went up all the way to almost 10,000 at some point and thousand we are down to 6,500 passengers, so we are working with them with reopening certain locations on certain hours of the day to be able to manage the expenses and of course the costs. Next slide, please.

[10:02:24 AM]

Okay. While we shift to the next slide it is going to talk a little bit about what we have done a to work with our marketing, offering some marketing free of costs to the concession and also advertisement and some technical

-- I am not sure why the slide is not shifting.

>> I can take this one. Yes. I can take that one, Jackie, real quick. So what we have done is a small portion of the marketing program that the concessionaires pay into and some of the advertising we do throughout the terminal, throughout the garages to remind our passengers that we do have a local flare to our food and beverage program and we encourage them to tempt pockets before they get on their plane. The technology piece that we are looking at is a mapping feature that will allow customers to be able to map and see down the

[10:03:25 AM]

concourse. It is a very long concourse so we want our customers who may be sitting down by a jetblue gate to remind themselves that there is a restaurant or a flavor that they want to eat several Gates down the concourse. And then obviously the concessionaires will be promoting them through specific seasons, if there is doughnut of the month or if there is ice cream of the month, we will be doing a lot of that here in the next few weeks and months with social media campaigns. That doesn't cost us a lot of

money but it does attract a broad audience. I think with that comment, the I think the last slide was open for questions. Mayor.

>> Mayor before we open up for questions I just want to publicly thank director yap and mookie for their leadership .. Obviously this is incredibly challenging time for this industry. On the bright side we just got named again as top 10 airport in the country and so as we have

[10:04:28 AM]

readers, from con defast readers, readers really voicing their opinion about what the best airport is, and Bergstrom was one of the top 10. So congratulations on that. With that I will turn it over to you, mayor.
.. I am sorry, mayor --

>> Thank you. I thought I got an award, but okay. It is like what award did I get? Could you go back to the slide with the number of affected concessionaries concessionaires? Number of affected jobs ..? Sure.

>> Yes. It is about a few slides up.

>> So it is the slide that talks about the total number of passenger --

>> Slide 12.

>> That one.

[10:05:28 AM]

>> Yes. So you are saying -- you said like 100 something.

>> Yes. Currently, the employees that are actively working is 1703, prior to do, 173, before covid-19 that was 141 employees that were concession workers that specifically had that category --

>> Okay.

>> I know that my office has been working with .. Airport people on this resolution and thank you for working with us on that. There are -- for other councilmembers who have been at those meetings, there are important concerns from our labor community the about being able to bring those people back. I think it was a big win for people when they were able to get \$15 an hour minimum wage at the airport and the effort, I have heard great stories of people having, you know, having that job and being able to be

[10:06:31 AM]

paid that rate with, you know, the possibility of a line going from downtown to the airport, a metro line and that providing even more opportunity for people to not have to have a car and have better public transit to get to the jobs out at the airport. I just wanted to express some of the concerns that we are hearing from labor about any -- you know, if there is any kind of incentives for the businesses, I think we have to include some kind of promises about bringing people back, to work and I appreciate, you know - - I understand that many of them have been badged and it is easier for the employees to just hire them back because, you know, they have already gone through the whole security process, but still I want to make sure that people have that right to return to those jobs. And I have also heard about, you

[10:07:31 AM]

know, the impact of technology and, you know, I understand and, you know, private business, it is good for them to implement technology, because it is frankly cheaper, you don't have to pay wages and you don't have to go through that kind of stuff but I would encourage, you know -- and I know you have federal regulations and it is a different rules that you have to abide by, but if we are providing any incentives to our airport concessionaires, we have to -- I don't know if it is limit the amount of, you know, the little kiosk, because a kiosk there is one less job, somebody being able to have that personal contact and I think you know, I love how the airport has created this very Austin feel and I think another thing about Austin feel and Texans is the friendly interactions that happen, and customer service and

[10:08:31 AM]

a kiosk isn't going to give you that same kind of customer service so I just want to make sure and make sure that other councilmembers are aware of these conversations and concerns about the impact of technology, adding technology that could possibly eliminate jobs, because, you know, even as we talk about bringing jobs to Austin but if it is not a net gain if we are losing jobs at the airport because of technology, you know, and they are having to go somewhere else. And specifically, you know, because it is in district 2, for many of our lower income, where many of our lower income families live, it is better they could be closer to their jobs, so you can employ people in southeast Austin where they possibly could have access to great public transit and then, you know, get to work. So I know that wasn't really a question but I just -- I guess I do have a question. If there is any policy changes about technology use, will those changes be brought back to

[10:09:32 AM]

council to approve? I mean technology as in like, you know, more kiosks as opposed to -- being at the concession --

>> Mayor pro tem, if I may, these relationships we have with these partner companies, we try not to put too much influence on how they operate. We want them to generate as many transactions as they can, fill as many seats in their restaurants and transact food and bench as much as possible, right? We want them to generate as much money per square foot as feasible. The type of technology that the concession companies have started deploying, mostly has been around social distancing. So most restaurants if you go street side you can now pull up a table side you can pull up the menu online on your phone.

[10:10:33 AM]

What some of these concessionaires are doing, not necessarily with kiosks but with mobile devices that you have in your own pocket is to be able to sit down, order your food, the wait staff, the lowest level -- you know, customer service is still provided by bringing you your beverages, bringing you your food, napkins, servicing you at the table. However, the technology that is being introduced for you to purchase online. And so I am not defending the industry itself but I think the more that we are seeing in food and beverage is to speed up the transaction time so we don't have long lines at each concourse or each -- sorry -- restaurant, but it does actually improve the level of customer service and it adds employees, in my mind, because the restaurants are going to be busier behind the scenes, behind

[10:11:33 AM]

the house, so cooks, chefs, preparers, service individuals will be around. Becky, did you want to add anything to that?

>> Yes. So the technology we are working with the concession group, I just want to point out it is aiming for two things actually, one is the safety and social distancing. So right now, none of the restaurants are offering a menu to actually touch and hold, so the passengers do not touch it, all of them together and have that contagious issue. So they are offering the scan your phone to the code so you can take read the menu, so that is one of the technologies that we are working with them to implement, to create a safe again operating facility or infrastructure. The second technology we are working on and it actually will add jobs is the delivery method, so where the customer can look at the menus and look at the options, don't have to stand in line. One, because sometimes they don't necessarily want to walk all the way to the end of the

[10:12:35 AM]

concourse, so if you envision our concourse it is 35 Gates long, and if you are in the -- we lost Jackie here.

>> Mayor Adler: We lost Jackie here.

>> He is talking about the food delivery was, you open your store up, if Amy's ice cream wants and they come in a delta gate they would probably bypass that storefront. I think Jackie was suggesting you could actually sit down, preorder and have that food delivered to you, which will actually add jobs to the concessions workers, because they want to also do food delivery.

>> Okay. I appreciate the explanation, and I guess I would hope that -- I understand not wanting to interfere too much, but this is

-- it is very rarely that we can put requirements on, you know,

[10:13:35 AM]

private business, like I would love to force certain grocery stores to open in my district, but I can't do that. And so -- but there are instances where they are receiving some kind of benefit from the city that I believe we can and we should. And this is one of those cases where, you know, it wouldn't be fair for a corporate to get some kind of windfall because they are installing technology and that's replacing somebody that can work. And I absolutely have been in situations where I have seen in airports where, you know, you order on the little thing at your table and somebody does come bring it to you. So obviously that provides, makes their job easier and still employed, but I have also seen where you just walk up and you order from a kiosk and you are just waiting for your food and there is not that enter action until until they call your number. So I would -- I might have to pass this off to the next

[10:14:36 AM]

district council meeting, and I will and I also hope other councilmembers pay close attention to losing jobs. So I think it is important that

-- I know you provided kind of an anecdotal example if there is more business and more people, you know -- so to speak, I think it would be good for us to actually know what that impact is, just an actual real number that doing this creates this many more jobs or, you know, I think that is important for councilmembers to know and also have an understanding of how technology is playing a part in jobs. So thank you.

>> Mayor Adler: Thank you. Colleagues, councilmember Cassar.

>> On that say point, thank you for raising it. Right now on this more socially distanced delivery, .. Is employees of the same concessionaires that are doing that work or is there some sort

[10:15:38 AM]

of contractor that is coming in to do the deliver? It sounds like you are saying it is still employees of those same concessionaires you listed.

>> The program hasn't gone live yet. It is something we are still in discussion with them, but they prefer to have their own employees to cross utilize them, to keep them busy, the full eight-hour shift and not hire contract.

>> Casar: I think that is good, just because we did so much work as the mayor pro tem mentioned to improve job quality there and bring those jobs back so I am glad this isn't -- this couldn't be perceived as a work around, around that. Thank you. You listed all of the employees behind security that are badged but I know there are also a number of workers on the airport site at the hotel. I anticipate -- I imagine that is oink through really, really hard times as well. Do you all have a really brief update about how people are doing there?

>> And what the next steps might be to best take care of people

[10:16:39 AM]

there?

>> Councilmember, we are actually putting that together, so I would love to come back on another briefing specifically to that topic.

>> Casar: Okay. I know time is tight on these work sessions so even if you all can e-mail us a memo or something.

>> Sure.

>> Casar: You are rin/written

-- you are invited to be here but just knowing how busy you are, of course, just getting us something there would be helpful. Thank you.

>> Sure.

>> Mayor Adler: Colleagues, anything else on this presentation. >>

>> Thank you. I am interested in this information too. I think I probably have a different take on what it means to -- innovation against jobs. You know, I have been in many conversations and Jacquelyn thank you for joining the regional economic development board for presentations, talking about the role that the airport plays in driving jobs into all corners of the city and the region and I would hate to have that conversation contextually

[10:17:42 AM]

without understanding its impact on airport competitiveness compared to other airports so if we start putting additional requirements on airlines will we not get the flights we need to get that then leads to reduced business growth and jobs in other sectors. Which is a very complicated economic ecosystem so I am interested in this conversation too and it is kind of relative to all of our enterprise departments where they just operate in a very different space than, say the parks department for library system.

>> Yes. So it is a complicated -- it has been a complicated the last six months working with the airlines and all of the concessionaires and the stakeholders because they each have a different business profile and also different financial status, so it has been a complicated six months but we have been focusing on making sure the airport is in a good financial status as best we can. We honor our debt service and we have been working on the social

[10:18:43 AM]

distancing as it has been recommended by the CDC and also the airline requirements, but it is an environment where to -- we are starting to have conversations with the airlines because we have a certain forecast for fy-21 of what the recovery looks like and we want to make sure we are working with them. It will take us a few years to recover back to the precovid number for the airport and a lot of businesses there. So we appreciate your support and we will definitely keep you

--

>> Mayor Adler: Colleagues, anything else on this presentation?

>> Mayor.

>> Mayor Adler: Yes. Kathie.

>> Thank you. I had a couple of questions. I know that a Jackie you indicated we would talk about the hotel at a different point but I know our airport commission has gotten a little bit of information about how our hotel out there has fared and I would be interested to know

[10:19:44 AM]

whether that hotel is considered to be a pro lodge, as we sought to lease different hotels around the city, I wonder if that one was ever considered as a way of making -- of -- and making sure that, you know, our individuals who are at highest risk -- also that we are doing our best to support that, what is an entity with a relationship to the city. So that is just a question I would be interested in the answer to. I also am interested in knowing. In the exchange with my airport commissioner, it looks as if there is not information coming from the concessionaires to the airport about how their employees are faring in terms of staying healthy .. I don't know if you speak to whether or not

[10:20:44 AM]

you are collecting or have a plan to collect information about the employees working at the concessionaires and any reported cases of covid.

>> Yes. So I will answer both questions quickly. I will take the second one first. As far as the reporting of the covid cases by our concession and stakeholders and partners, we have been asking for them to share that information. TSA has shared that info, employee specific --

>> He is freezing there a little bit. Councilmember tovo, I will take that real quickly. Are you back, Becky?

>> Yes. Can you hear me? Yes. Sorry. I don't know what is going on. So anyway they have -- shared the information specifically because of the competition factor, if that information, because we are open to the public information act and

[10:21:44 AM]

people can actually request information, if that information gets released it will put them in a tough situation if it is advertised they have more cases that are tested positive than another airline and have a negative impression on them in the business world, the same thing with the concession group. So they have to -- that information with us at this time. As far as your second question about the hotel, it is a concern for us because one that the money has been spent at the airport -- at the hotel, we know that the hotel is not doing well right now, sparse numbers because of all the hotels are also suffering collectively, but there is also a question that we are looking at -- the funds have been spent -- fa -- we are looking at that.

>> Mayor Adler: We lost Jackie again.

>> I will say.

>> Tovo: I think she was talking about the FAA requirements and I know my staff

[10:22:45 AM]

had some conversations with the airport staff around this particular issue and it was not that I was suggesting the relationship would be that it was free to the city, but in the same way that we are leasing -- leasing hotels from private entities we could do the same with this entity.

>> Yes. Councilmember, hopefully you can hear me now okay. Our staff is preparing a response memo for your request, so allow me some time and I will be able to get that memo out to you as soon as possible to respond to you specifically with the details.

>> Tovo: Thank you so much and thank you for your leadership during such challenging times.

>> Thank you. Thank you for your support and sorry about the freezing every once in a while.

>> Tovo: Oh I have it almost every meeting. Thank you.

>> Mayor Adler: Okay. Colleagues, anything else on this presentation? Mayor pro tem.

>> Just for clarification for the comment that councilmember Flannigan made, my comments were specifically about the concessionaires, not -- you

[10:23:45 AM]

mentioned the airlines. I think -- I could agree, I agree about the ecosystem and I agree with you that we need to be careful, but I wasn't talking about airlines. I was talking about -- it is a whole different business than the airlines. Okay. Thank you.

>> Mayor Adler: Anything else on this presentation? Jackie, manager, mookie, thank you so much for representing and informing us about this.

>> Thank you.

>> Mayor Adler: Manager, I think that gets us to the next presentation. This is the one on the saves program, saving Austin's vital economic sectors.

>> Yes. Thank you, mayor and council. So with the adoption of the saves resolution 12 days ago on October 1st, the chief economic recovery officer, Briseno and the economic development have worked collaboratively with legal to work with three

[10:24:45 AM]

guidelines identified in the resolution. The draft guidelines will be considered by council on Thursday and today Veronica Briseno will provide an over line, overview. And turn it over to our chief recovery offer, Veronica bring 7 owe. .. Briseno. >>

>> Good morning, mayor and council. I am the chief economic recovery officer and as was mentioned, we have been working steadfast in this past month to bring forward proposed safe guidelines in accordance with the resolution you passed a few weeks ago. Before I begin the presentation, if we could queue up the presentation that would be great. I did want to give a huge kudos to our adv staff. They have worked very hard on bringing in a very short turn around time to bring forward

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these guidelines to you. And in doing so, it is important with the resolution to be passed. And the is after setting out multiple programs as you are aware, so they have been working very hard sin March and I couldn't be prouder of the team that we have. So if we can have the presentation queued up.

>> Thank you. You can go to the next slide. So briefly what we are going to cover here today, I wanted to talk a little bit about the general guidelines for all of to saves fund programs and then we will go into details of the three programs that we have proposed to you, while Austin childcare relief grant. Preservation fund, the Austin legacy business relief grant. Next slide, please.

>> So for all of our funds, each program will be structured as a grant program and will disburse between 4.5 and \$5 million to

[10:26:47 AM]

awarded program applicants. The reason why there is a range there is because we also need to identify funds for the third party administrators, for these programs, so we wanted to make sure that that is part of our thought process as we are rolling out these funds. Applicants must be located within the city of Austin city council district, applicants in the city's etj are ineligible and applicants outside the city of Austin are ineligible, and this -- this is aligned with the clear program that was initially passed by council back in April, I guess now.

>> Applicants must agree to meet or exceed the city of Austin's covid safe operating guidelines. The safety guidelines and orders are available online and we will make sure that applicants are aware of that. And each program will use a random selection or a lottery to select fund recipients. Next slide, please. So first I will walk through the Austin childcare provider relief grant. As council is aware, this is a

[10:27:49 AM]

-- we have already initially administered a childcare a centered relief program a few months ago. Based on counsel he resolution or direction at that time. And so we have modeled this program in a lot of ways after that initial program. So this will be structured as a grant program for eligible childcare providers located in the city of Austin council district. It is a one-time grant award and the range is from 2,500 dollars to \$60,000. Childcare providers can use these funds for eligible expenses that occurred after they were incurred after March 1st of 2020. Next slide. So the intended beneficiaries for this program are Austin based childcare providers. We will be focusing on ones that provide full day childcare to children ages five and younger that have a Texas -- STAAR accreditation and national accreditation or they have a Texas rising star assessment schedule. We learn through our first round

[10:28:51 AM]

of this grant program several facilities were trying to apply for the trs assessment and there is a back allowing, so we are, backlog and we are trying to get that initial movement toward getting that scheduled. Childcare facilities are eligible if they have been impacted by covid related interruptions. Community benefits that will be achieved through this program include job retention, our childcare, of our childcare provider employees and maintaining high quality affordable childcare for the Austin workforce. This pandemic has uncovered a need for childcare for all austinites. Next slide. Applicants must also meet the following criteria, have a physical address in the city of

-- in the city overs council drink, be classified as a licensed childcare center or a

[10:29:52 AM]

licensed or registered family childcare home provider, provide full day childcare to children ages five and under, and I believe this slide anybody a repeat, my apologies, let's go on to the next slide.

>> For this grant we are allowing previous recipients of the first childcare relief grant to apply again, the thought here is that initial funding was provided in the July time frame and we suspect that needs have continued to increase since then. Providers with multiple eligible locations may receive funds for each site. And they will be able to list multiple sites on one application. Applicants who rent or lease their property must demonstrate a commitment from the property owner to -- enter a more beneficial rent and if the -- they are unwilling to do so they must show us a good effort or steps they took to reconcile

[10:30:54 AM]

this situation. And I will say for all of these programs and everything that we are hearing, the need is great and I know you are hearing it too council the need is great for our businesses to have some technical assistance for lease and rent situations, and so we are looking at how can we build that out through the response of this -- of all of these three programs but also just overall in our relief response. We get the need and we are having conversations about what that case management or technical assistance or rent and lease relief would look like. Applicants must adhere to labor provisions and worker safety protections applicable to the facility and business operations. Next slide. So this is a summary of some of the eligible expenses that could have incurred that we would look at supporting with this grant, rent or mortgage for the

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property, operational costs, payroll and employee retention, technology and software, sanitation and cleaning services or supplies, ppe, covid compliance facility modifications, business personal property, business insurance, covid related staff training, property taxes, licensing fees or related expenses and trs assessment fees or related expenses. Next slide. So looking at how the work, we are proposing the grants would be awarded we created this rubric, so we are looking at each category and looking at awarding dollars based on the category, and prioritizing what council has prioritized in the saves resolution. So the base award looks if the licensed childcare provider is either center based or home based, a center based, could receive up to \$10,000, a home

[10:32:57 AM]

base up, could receive up to \$2,500. We are looking to see if the childcare facility is providing essential workers have they been open consistently since March, if yes, they would receive \$10,000, up to, and home base would receive up to \$2,500. For equity consideration, we are looking to see if the owner or the executive director is a person of color, if they are, center base is \$15,000 and home base is dash -- is not a person of color. Accepts childcare subsidies. So if the center does serve families with healthcare subsidies we would award \$3,000 for that, if not, we would not award an amount for those and I will note this is a departure from the original childcare program and the reason why is we heard feedback from United Way, third party administrator for the first round that this really

[10:33:57 AM]

served as a barrier to many of the childcare facilities that were really trying to reach and are providing services to our essential workers. So we thought we would, you know, see further on in my presentation how we are trying to break that out so we can award some to these childcare centers but prioritize those 0 that are receiving subsidies. Next slide, please.

>> Ccs enrollment. So there is looking at the enrollment on March 1st or today, which, whatever is greater for children ages five and younger. This is based on a trs national rating. So if they have a national reor addition we are looking at \$500 per seat and then it is tiered down there there as you can see. And employees, number of employees as of March 1st or today, whichever is greater. And this is including full and part-time, for full time employees \$300 per employee for part-time it is 150 per employee

[10:34:57 AM]

and this is to encourage employee retention and to help childcare centers continue to retain their employees. Hazard pay this is for open centers only this Szabo us in to be paid directly to each current employee full or part-time for hazard pay. Full time we are recommending 1,000 per employee, part-time, 500 per employee. The award ceiling is 60,000, so each of these components will be added up and if for some reason the center exceeds that 60,000 the most that will be awarded is 60,000. Next slid. So looking at how we are addressing the trs rated childcare centers, in east Austin community, where -- and I should highlight, I know I have talked to council about this before, when we looked on a map at trs rated facilities, they are predominantly on the west side of Austin, and the few that are in east Austin are in central east Austin and really a vacancy in the eastern crescent

[10:35:58 AM]

of our city. So group a, trs rate willing receive 3,000 -- would be put in a pool up to \$3 million. Apologies. Group B is temporarily closed centers, trs rating we would earmark 500,000 for these centers. Group C is open centers who do need the trs assessment and we are recommending we research 1.25 million for that group. And this is assuming a five percent third party administrative fee and that that administrative fee would come from the overall 5 million awarded to this program. In each funding group will be a random lottery and the remaining groups, the remaining funds from a funding group will be reallocated into another group. Next slide. So that is the -- that concludes the childcare provider program.

[10:37:01 AM]

Next I will switch to the Austin live music venue preservation fund. This is also going to be structured as a grant program for eligible live music venues located in the city of Austin council district. Applicants may apply for funding for up to \$40,000 per month for six-month. Each applicant is, total grant award will not exceed 160,000. Live music venue operators can use these funds for eligible expenses incurred after March 1st. And I will note that the idea here is that we are really working with our live music venues to keep them sustained and available for when we are in the new norm and able to have our live music venues open up as they once were. Next slide.

>> So we use the live music venue definition as defined in cap, there is a definition that has been vetted and we are comfortable with.

[10:38:01 AM]

So you can see the definition here is defined as an establishment where live music programming is the principle function of the business and/or the business is a live music destination, where the venue

clearly establish it is ability of an artist to receive payment for work by percentage of sales guaranteed or other mutually beneficial formal agreement for every performance. Live music venue is a destination for live music consumers and/or its music programming and is the primary driver of its business as indicated by the presence of at least five of the following. And I won't read all of those but you see the list of what we are looking at to identify that they are live -- a live music venue. Next slide.

>> So the intended community benefits from this program, these guidelines. The at the intended beneficiaries are live music venues with a focus on ones that have been closed or operated with significantly reduced

[10:39:02 AM]

operations operating below 75 percent of operational capacity compared to this time in 2019, since March 1st are 2020 and we know that the majority if not all of our live music venues were adversely impacted by the cancellation of south by southwest or subsequent

-- and subsequent events. Have been impacted by other covid related disruptions, have virus mitigation and equipment needs. So the community benefits we see with this program, job creation and retention, maintaining a strong tax base, maintaining civic infrastructure and preserving the city of Austin's unique culture, character heritage and brand and specifically the brand of live music, apple of the world. Next slide.

>> So eligibility criteria. Applicants in order to be eligible, they must operate as a live music venue. They must have a physical address in the city of Austin city council district. Be current on all local and

[10:40:03 AM]

state license requirements, have no delinquent local, county state or federal tax obligations, have incurred or plan to incur covid mitigation and protective equipment expenses. Applicants who received a grant or loan funded by federal -- by the cares act may apply for this program, again, the same thoughts there, that we are going into this pandemic for a longer period of time and we know that our live music venues continue to incur costs in this time. Applicants with multiple locations may apply for each location for this fund as well. Next slide.

>> As with the childcare provider program, we are looking to see that they are -- that applicants are working with their landlords to negotiate a more favorable situation and we are looking at how we can provide the case management or technical assistance to assist with that. They must it is adhere to labor

[10:41:06 AM]

-- provisions and worker safety protections as with the childcare funds. Next slide. So we also have included an equity strategic plan as part of this. And this, this is unique to the live music fund. We have applied an equity lens to all of the funds, but this is a little bit more of an intensive approach, and the reason is for a couple -- there are a couple of reasons. One, there is a longer relationship and a larger grant amount, so we believe that if we are having a longer term partnership with the applicant and are providing substantive more amounts we should focus a little bit more on the equity component with the group, or the entity. Also, our music commission has been working on an equity framework. As you know, we have a consultant working with our music commission and talking about equity and what that means for our music industry, so we thought it would be good to take some of the principles they are

[10:42:07 AM]

talking about and apply it here. So we are asking the applicant to submit a detailed live music venue equity strategic plan with the goal of undoing policies and practices that have led to historically inequities in this sector. They will be required to participant in undoing systemic racism training and working with the equity office on how we can facilitate in providing that with our -- with our -- with the group we worked with. The city will provide concepts to help applicants create plans that are actionable and impact aful so looking at things like live music, professional development, genre diversity, development and promotion, atx music export and exchange, talent line, coproduction, comarketing collaboration, supporting act opening slots, destination events, and having colocated music constant venues. Next slide.

[10:43:10 AM]

The next eligible expenses are similar to the childcare, looking at things such as payroll, rent or mortgage, utilities and so forth. All right. I am being asked to help with my student. I am sorry. Sorry. Next slide. It is hard being teacher assistant and chief economic recovery officer. >>

>> Mayor Adler: We are all doing --

>> So the amount that I mentioned is 40,000 per month, not to exceed 160 -- 160,000. They will be determined by the eligible operating expenses, which will be calculated and verified by analyzing historical financial statements and tax returns. Operating costs on the previous slide would be included in this determination. And the third party administrator will make every effort to begin distributing funding within 30 days after the application period closes and any necessary documentations from applicants as received. The award will be paid to

[10:44:11 AM]

awardee on a monthly basis for six months or when the \$160,000 limit is reached, whichever comes first. And we thought this was important, this was a recommendation that came from our stakeholder group. We thought it was an important one because it allows us to have a continued interaction, month-to-month as opposed to a lump sum grant, and it also allows us to be aware of the venue, if the venue continues to stay open or is closed, if the venue is closed then we can redirect the remaining funding if necessary. Next slide.

>> Finally we have our Austin legacy business relief grant. This is again another grant program and we looked, for this we looked to what other cities have adopted as legacy business programs, several cities are creating these programs in response to covid but several cities are also have existing programs just within their

[10:45:11 AM]

normal structures. We looked to those as what would those look like and we also looked at what we incorporated in our own Austin programs -- or EdD program and how we identified a legacy business through that. So based on that we are recommending that eligible businesses have been established in the city of Austin for at least 20 years. The one time grants will either be 40 or \$60,000, depending on the business's tenure and number of employees, and legacy business owners can use these funds for business related expense incurred after March 1st, 2020. Next slide. The intended beneficiary Jared, we looked to the resolution you passed to help with this. Austin based businesses that have been establish in the city of Austin for at least 20 years. Contribute to our -- to Austin a's civic infrastructure and help define city's character and brand.

[10:46:12 AM]

Demonstrate a substantial likelihood of closing permanently without assistance. The likelihood of another similar business to open. Experience challenges to alternative operating models for generating revenues sufficient for survival under extended covid public health orders. The community benefits that we see through this program, job creation and retention, maintaining a strong tax base for the city of Austin, maintaining our civic drawer, which is important to our identity as a city, and preserving the city of Austin's unique culture, character, heritage and brand. Next slide. Additional eligibility criteria, applicants must meet the following criteria to be eligible for the program. They must operate in one of the following industry sectors, art service organizations, art venues, bars and I believe

[10:47:12 AM]

childcare providers that was not included in the resolution passed. We are going to verify that, and if not we will remove that part from this potential grant program. Live music and performance venues, restaurant and studio spaces. They must operate from a publicly facing physical building and have 20 years of operations in an area that is currently in the city of Austin council district. Businesses must have operated continuously with no more than a two-year break in operations and the business may have changed locations during this 20 -- during the 20 years, but they must have maintained a location and/or headquarters in an area that is currently part of the city of Austin council district during all 20 years. They must have headquarters or first location in an area that is now in a city of Austin council district and I should note we are saying in an area that is now an Austin city council district because we didn't have districts 20 years ago so we are looking at the current districts and where their history was based on that. And this will finally, contribute

[10:48:12 AM]

to Austin's civic infrastructure and help define the city's character and brand. Next slide.

>> They must meet the following criteria on this slide: a substantial likelihood of closing permanently. They must demonstrate there is a low likelihood of another business opening in the same or near locations. They have difficulty to go to a different revenue generating model. This reasonably ensures the business will not fail and must commit to maintaining physical features, traditions and operations that define business. There, they must be current on all state, local and state license requirements and they must have no delinquent tax obligations. Next slide. So this -- on this one, if it is

[10:49:14 AM]

a business that received assistance through another grant program they won't be eligible for this program. This is centers with multiple eligible operations may only apply for assistance once so for one of their locations. Applicants in the same -- are asking applicants to work with their landlords to hopefully come up with a plan that is more reasonable to stay in their location. And then the same -- the last one is the same as the other two as well. Making sure the applicants adhere to labor peace provisions and worker safety protections. Next slide. So as I mentioned it is a one-time grant. It is based on the number of -- tenure in the business and number of employees and this is how we are proposing to administer it. For the \$40,000 grant, it is for businesses with less than 25 ftes, for the -- and for the purpose of this program, full time employee counts as an fte, a part-time employee as a half

[10:50:14 AM]

an fte, if they work between 20

-- they work between 20 and 40 hours a week, and a quarter of an fte if they work less than 20 hours a week. Businesses would who meet all eligibility criteria and been in operation for more than 20 years. To the larger grant amount the \$60,000 amount this is for businesses with more than 25 full time employees but not more than 100 full time employees. The definition of a full time employee is the same. Or it is for a business that meet all of the eligibility criteria and have been in operation for more than 30 years. Next slide. So this is just a summary of what I presented to you today. So an overall chart of the three programs and who the beneficiaries are, what the award types are, and the award frequent situation. Next slide. .. That concludes my

[10:51:15 AM]

presentation. I should have mentioned on the front Eni have joining with me so focus I can't -- who is our acting director of economic development and we also have David Gray, who is our communications manager, but also serving as the project manager for these programs. Which we are very grateful for. We are happy to answer any questions you have.

>> Mayor Adler: Okay. Thank you. I have a couple of questions. First, I want to thank you and your staff for jumping on this so quickly, as with all things, another example of things we want done yesterday, but a tremendous amount of work and movement both in development what we collectively have worked on as a council a couple of weeks ago and as this moves forward so thanks for that. I have some questions, though, about the criteria, in part because it seems more prescriptive than I think in much of the conversation was as

[10:52:15 AM]

we were talking about these, and I guess I am speaking more about the legacy and the music venues and the childcare. I think that there were some conversations about the possibility of kind of figuring out kind of like what a case management system might look like to be able to have a venue owner come in and say, I am in a rough spot, I meet the criteria and it looks like I may have to close and if I do, nothing is going to come back in this place and yes, I am part of the civic infrastructure, and I am not sure what I need. And at that point we might be able to bring some legal assistance, some CPA assistance, some assistance in helping them negotiate with their landlords, to make sure that they know the kinds of tools that are available to them in terms of bankruptcy actions, that might

[10:53:17 AM]

be available or restructuring actions that might be available to them, folks that may not either have that competence or the wherewithal, the capacity to be able to avail themselves of those kind of options, and then the amount of the award or the way that award is used. There is an opportunity to have a landlord that will say, okay, I will sell you this location. To then work with the Austin housing conservancy arm, the Austin music conservancy, or working with the economic development corporation that is being started to leverage a lot more dollars to come in, to say that you know we can take this rather than putting it all out in \$60,000 grants there might be an extra incentive to come up with \$200,000 if it was leveraging a million and a half

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or 2 million from the community, that might be able to bring to bear. So I would like a lot of the programs which we administered, which were intended to -- where programs were judged on how quickly they we were distribute funds and how they help with basic needs and help retain those jobs. That is still important and hopefully will help with these funds too, but I am not sure that is a real measure of success that was intended for this fund. As much as it was to really provide help in a way that not only sustained them for the next two or three months but for a much longer period of time to really use and see if we can use the dollars that way as well:there is -- does the criteria you are developing

[10:55:19 AM]

enable you to be able to leave the nines and the maximums and does it have the ability to be able to retain that level of competency, skill set to be able to bring to bear to help case manage some folks and really help develop kind of a negotiating a strategic plan for them? >>

>> Mayor, I do believe that we have the ability to really work on a case management component. I completely agree that that is an important piece, and we are looking at what that would look like in reality in terms of providing that assistance. And in regards to the amount of caps, we would propose a cap, we can certainly revise that if the council's wish is not to have that high end cap. And I mention, it is something.

>> Mayor Adler: It is

[10:56:19 AM]

something I would like to see considered and maybe I can bring an amendment working with colleagues that might be interested on Thursday, but I want to make sure, I recognize the administrative costs have to be spent and thanks for highlighting that, and if anybody has any problem with that, it gives them a

chance to raise that or not. But I also think that some of the money ought to be spent to bring in attorneys or cpas to be able to provide that service, because I think that might make the spending of the money more efficient and depending what the workout solution my -- might be, the I am not sure the caps will necessarily work and I think the goal should be to try to get the money out the door as quickly as possible, but to be able to achieve the longest -- you know, the greatest long-term infrastructure return.

[10:57:19 AM]

Am and how to leverage the money. If they are able to leverage the money philanthropically or however to preserve music venues and the like, I the I that is kind of a criteria that should also be worked into it. To think about this on a case-by-case basis, because there are a limited universe of folks who will be able to apply. But I notice that you put in a good faith requirement to work with land loordz, landlords, if you get a long-term lease out of this because the city is enabling this situation to come with capital, which is the tool that people use to renegotiate and recalibrate leases. I have -- by having something that says good faith requirement is enough undoes that very leverage that you want to have, because if academy faith is sufficient, then there is not the same pressure or incentive

[10:58:21 AM]

for a landlord to be able to negotiate, so maybe there is no god faith out, save and except a special application for an exception of some kind that could be ruled on by the department director. But if that, but in order to be able to maximize the leveraging in that situation. Some of the things you have in terms of -- I am just giving you kind of a dump and then I will let you comment on them all, because they are all kind of similar kinds of things. I am not sure that, in one instance it might make sense to have an immediate infusion in order to buy space for 45 days or something imminently, if something eminently is happening but that may in order to let the caseworkers be able to work and sometimes in the 45 days you will see whether you can get a workout plan or not. And where you can get workout plans, those would be the people that would have a priority for

[10:59:21 AM]

getting funding as opposed to those situations where the deal can't be made. I am not sure that one of the criteria should be that there is no delinquencies or no deficiencies with respect to local and state licensing requirements. That might be part of the help that is needed and we might have some of these folks that are in a bad position because they have been out of business for the last six months or otherwise and I am not sure I want that to be an eligibility requirement, because it might be exactly the kind of help that they need. If it is an owner owned property, to the venue owns it, maybe there should

be, just like with the long-term lease provision maybe there should be a deed restriction, where that owner, of that venue says, in exchange forgetting the community's help now I commit to keep this as this kind of live

[11:00:22 AM]

music venue for the next 20, 25 years. But this will be the opportunity for the city to be able to do that same kind of thing that we are talking about doing with leases. I know you are bringing these agreements separately and I think it will be a powerful tool, especially for some that won't have to request of to this, to the fact you can come and bring in other tabsing entities, that will make it a more powerful tool. So I guess at a high level for me, I look at this and think that the program protocols may be too prescriptive. And not give you and the case management teams the ability to really fashion solutions that would, in a longer period of time help us with the live music infrastructure in the city. Is that kind of thing something

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that could be considered or thought about? >>

>> Absolutely. I think we can take that into consideration. And we really, you know, wanted to have a starting point to have this discussion and get the guidance from council and the direction you want to see these programs go. So we can absolutely take that into consideration.

>> Mayor Adler: Great. Thank you. Ann.

>> Thank you. I share the kind of comment or concerned that the mayor raised.

>> Kitchen: And I wanted to ask some additional questions. So I am concerned, if I am understanding correctly, the live music fund and the legacy

-- fund as well as the childcare fund are all lotteries; is that correct? Pardon?

>> Sorry. I lost my mute button.

>> Let me explain my concerns

[11:02:26 AM]

about that. Well, first off, it is sort of a combination of the two that -- with the lottery that raises the concerns for me. So let me try to articulate that a little bit. So we are talking about legacy businesses but you are only eligible if you -- if you meet this -- if you are lucky in lottery, and then you only get a

maximum of 60,000. To me, that is not enough to preserve a legacy business or not preserve but I see these funds as helping them, sort of like what the mayor was saying, helping them immediately while they can try to leverage a longer term solution. This is not enough to help any business last over a long time, so we need have enough to -- so they can survive while they are

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working through some kind of longer term approach. I am not sure that 60,000 max is enough for immediate assistance while they can work through leveraging other kinds of dollars as the mayor was mentioning. So that is one thing. The lottery doesn't help us make sure that our legacy businesses are really and our brand is really protected. So I have a concern there. So then when we look at the live music fund and you do a lottery there, I think the dollar amount, the 40,000 to 160,000 is much better in terms of helping one of those entities survive in the short-term, which I think is what we are trying to do here. But it is a lottery. So we don't have anyway between the live music fund lottery and the legacy business lottery to really make sure that the entities that are -- that make

[11:04:28 AM]

up our brand are really protected. We have got examples from the last round where some of our iconic venues or at least one that I am aware of to get in the lottery and didn't get any help. So I am really concerned about that kind of -- that kind of approach. It might work if you did a lottery for the live music fund but then you had some other criteria for the legacy business fund. That's only going to work if you put more money into it because 40 to 60,000 is not enough. So that is my fundamental problem with the way this is set up. And it is sort of -- it seems like that combination of things doesn't work. And I do agree with something, with what the mayor suggesting is that -- and again because my focus is on, we have got to help them stay alive, right now to

[11:05:30 AM]

bridge to a longer term solution. So the assistance with legal, the assistance with bankruptcy, if that's appropriate for them, the assistance with other kinds of things, is really going to be important. And so I think some dollars need to go to that. And I also think that you have got to look individually to the circumstances to see what they need. And then finally, I would say I am wondering about, to the five percent administrative fee, is that where you get to -- I didn't do the math. Five percent, that is up to 500,000, right?

>> Yes. We are anticipating a five percent administrative fee and I will add that of course that is not a guarantee at we are talking to, interviewing for party administrators.

>> Kitchen: Well I think that is too much if we are just doing a lottery. And in the seen of things. If that includes some expertise,

[11:06:31 AM]

then it might make sense to me, some expertise to work with individuals, then I could perhaps see that, but you know, I just don't see 500 -- \$500,000 fee to administer \$5 million fund via a lottery. To me -- to me, that doesn't make sense. You know, I haven't broken it down to how many hours it takes, but I would be curious about how many hours it takes to administer something like this, because I think about it in those terms, what is that hourly rate, you know, and I can break that down and maybe I am thinking about this wrong, and maybe there is more work that I

-- more work than I am thinking but it just seems like an awful lot. So I wouldn't be in favor of that. I would be in favor of using some of those dollars -- I can see how that could cost more if you are going to include some actual expertise, legal or

[11:07:31 AM]

financial expertise along the lines of what the mayor is talking about. But just to administer a lottery approach -- and again like I said, I have got some serious concerns about the lottery approach. So --

>> So if I could speak to that, the lottery approach we proposed because we had designed the eligibility criteria to queue up what would be considered a legacy business so we are trying to propose an objective way to identify businesses that are legacy or iconic to our community. So the assumption is if you net eligibility then you are, in fact, a legendary business. The third --

>> Kitchen: I am sorry, go ahead.

>> The third party administration fee while it is not necessarily legal advice that they are providing or expertise, but they do provide expertise -- they are the -- they are the ones that are case managing from a perspective that

[11:08:32 AM]

they are meeting the eligibility requirements, collecting any needed documents and providing some assistance, and often there is -- our experience has been that the businesses and the nonprofits that have applied for our programs need assistance in knowing exactly what documentation you provide and so forth. They also do outreach, they do media campaigns, they do webinars in Spanish and English to

help people understand, they develop the application and they put it on an electronic platform, so there is a series of things they are doing prior to even getting to the point of having a lottery.

>> Kitchen: Okay. Well I would just -- well this still causes me concern because I do think we need to shift those kinds of fees more toward expertise that would actually work with the individuals, so -- and unless I am not sure we need to do as much marketing and put a lot of money into that, for example, given our understanding of what the concerns are. So I hear what you are saying,

[11:09:33 AM]

it still seems off balance, to me. And I get what you are saying about the legacy business and the 20 years makes sense to me as a way to help with that pot, but maybe a combination of the things that are causing me concerns, because I don't think 40 to 60,000 is sufficient, so we are giving 40 to 160,000 over X number of months for the live music fund but we are not doing that or legacy businesses. So I am not understanding why, why is there such a difference in the amount that we are talking about between the live music fund and the legacy business? I think for the live music fund it makes a lot of sense and that's a dollar amount that can really be helpful, so I don't know why we are not repeating that kind of dollar amount in the legacy business fund.

>> One of the main reasons is

[11:10:33 AM]

because the legacy music -- there are much fewer live music venues, sorry, not legacy music -- live music venues in our community than there are businesses that could apply for the legacy program. Where we have proposed the amount to the legacy ram, there could be 83 participants and we expect that will be over subscribed, whereas the live music venue population is much smaller. I believe it is at about 50. I am trying to find out from my staff right now, but 160,000, we could serve 29 live music venues. So the other piece of that process was our live music venues really haven't been -- if they are open, they are significantly at less capacity, the businesses that comply with the legacy business program, potentially could have some revenue coming in, either a restaurant or other entities. So that was our thought process behind it.

[11:11:34 AM]

Again, we are happy to amend as council sees fit.

>> Kitchen: Okay. That helps me understand. So maybe my biggest concern is that you are not -- you have the potential for a music venue that is a legacy business because this is a lottery, not being chosen at all. So that is really one of my fundamental concerns here. So we are not, with the lottery like this, with the interplay between two and the lottery, we are not -- we are not assuring our legacy businesses have a potential for dollars to sustain themselves immediately while they try to work towards a more sustainable longer term approach.

>> So I would ask if council prefers not to go the random selection on lottery direction, I would like some guidance on

[11:12:35 AM]

what the selection process would look like then, because I think, again, our thoughts were if you meet the eligibility criteria, you are considered a legacy business, and if there is going to be a different way to determine the legacy business then I would really, staff really needs that guidance so we can administer the program to meet your goals.

>> Kitchen: Okay. Well let me think about that. I think the 20 years is a good issue, but what I am saying, is that you 0 have got more -- or maybe I am not understanding correctly and I will -- and then I will let others go. But for the legacy businesses, because it is a lottery, you not going to -- some of them are going to be left out, right? Because it is a --

>> I am going to be -- there is no doubt some will be left out. The need is just too great for the amount of funds that we have. I wish that we could provide funds to every business that is suffering, but the need is just by far too great. We saw it in our business, small business relief program, we had \$16 million to administer and

[11:13:37 AM]

\$123 million in eligible requests. We anticipate this program to be over subscribed.

>> Kitchen: But I thought you had a number for the number of legacy businesses.

>> I think we are estimating about 200 businesses have been in business in these industries for over 20 years in Austin.

>> Kitchen: Okay. I didn't hear that. All right. Well I hear what you are saying and I will think about any suggestions and to get to my fundamental concern related to the lotteries

>> Mayor Adler: Colleagues? Councilmember alter.

>> Alter: I have a new headset. Can you hear me?

>> Mayor Adler: Yes.

>> Alter: Great. I wanted to comment on the childcare proposal. And I just wanted to kind of point out a couple of things that were shared with me that might cause the childcare in particular to have a little bit of challenge meeting the requirement. I don't think either of

[11:14:37 AM]

these is something that you can't address easily, but I wanted to flag that for you. So the first is section 3.4 for commercial tenants. For the childcares that have had to renegotiate of late, they've actually had to pay higher rents and they don't -- they clearly would benefit from help negotiating the lease. So I'd love there to be the help for them to negotiate the lease, but I think we have to be careful about how we do this requirement for them so that it doesn't keep folks from applying and that they're getting, as you mentioned and you pointed out, that you were going to do the technical lease response, but I think for childcare that's really important and could easily be read in a way that would make them uncomfortable. So the at the very least if we are going to have the

[11:15:37 AM]

good faith effort out, and it would be good to have some templates and stuff to reduce that barrier, I'm thinking with what we saw with the non-profits that they had trouble getting the directors to sign off to say to move forward. So thinking of that I would think more about how you implement that piece for childcare. And I want to acknowledge before I make the other point that I really appreciate how you're learning from the prior grants and what worked and what didn't. You know, I think that unless we have more none it's hard to think of of what is the appropriate way rather than a random lottery once you've met a certain threshold. And I'm open to other ideas, but from what I saw elsewhere there are some real concerns about how we do this. And I understand the solution that is the randomness there.

[11:16:37 AM]

So the other part for childcare was on the workers rights. Again, it's more of a concern of this being something that raises flags or confuses people unnecessarily. We don't really have labor piece agreements and we don't have unions for childcare except for like in Rhode Island when we're not Rhode Island. So I think that it will confuse folks in the childcare industry so it would be good to rewrite that or to think about that. And I have some stuff that I have this documented and I'll forward it to you, but I wanted to raise those two issues both of which I think are easy to do. One clarification on the criteria, if the group has multiple locations are they allowed to apply for 60,000 each location or just apply the 60,000 to multiple locations?

>> I am going queue up David

[11:17:37 AM]

gray to respond to that. David, do you mind answering that question?

>> Hi, councilmembers, good morning. David gray with the economic development development. I'm sorry I'm having technical issues with my camera this morning. The way it's currently written is that childcare providers with multiple eligible locations may receive funds for each site. And I believe that what we have administered in the past is we allowed them to submit one application but they could receive awards for the various sites. So I think that to your question, yes, we would look at the maximum amount that they would be eligible to receive per site.

>> Alter: Thank you. I wanted to clarify what that was so when people were moving forward who did have multiple sites they would know what they were eligible for. I appreciate the way that you have tried in this criteria to account for the

[11:18:40 AM]

number of students and employees and to allow those that are accepting subsidies to get a bonus. I did wonder about the open consistency since March and how many people that that would apply -- how many centers that would apply to. Because there were places that were closed in March or early April and then opened in may and were serving essential workers, etcetera. So I think that might be a little bit of are tweaking on it. And these can be relatively minor adjustments. Do I need to make amendments or is this feedback that will then be incorporated? I know there's different nature of amendments we've been talking about today,

[11:19:40 AM]

but I think mine are a little bit more on the implementation side than on the guidelines. So I just need to know if I need to make amendments or if this is guidance that you will figure out how to act on.

>> Councilmember, I think this is guidance and you're correct it's on the implementation side so let's give thought on how to incorporate it. And if I feel we are not able to incorporate it we will let your office know before Thursday.

>> Alter: Great. Thank you so much.

>> Mayor Adler: Councilmember Ellis.

>> Ellis: I was reading your lips even though you were on mute, I appreciate that. I had a thought on this topic of childcare and the equity positive, that I really appreciate you kind of thinking about that and

presenting your ideas on it. I have one concern and I hope it may be more flexible is you may have a childcare facility where it is not owned by a person of color, but the staff may be people

[11:20:42 AM]

of color and the families being served may also be. I wonder if there's a way to be able to consider that just to make sure we don't have a situation where the majority of staff are person of color and the owner happens not to be. I wondered if that was something that you could look?

>> That is good feedback. We have seen that in other programs that we have administered. The point is note and we will look at integrating that.

>> Mayor Adler: Councilmember pool.

>> Pool: Thanks can you run down the legacy eligible. It sounded like 15 might get funding. Could you look at that and give us the total universe and the total number to get

[11:21:45 AM]

funding from the other two.

>> On the EdD chat we're having quite a few thoughts on that. He we believe there are over 200 businesses that could qualify for the legacy fund. And with the way we proposed the guidelines we could serve 83.

>> Pool: Okay. And then what about the music venues?

>> I would like to get back to you on that number. I believe it's approximately 50 to 60 which means that we could get on -- we could serve 29 with the way we proposed the guidelines. I would like to firm up that number for you.

>> Pool: And what about childcare?

>> Childcare there's 357 childcare centers in the city limits.

>> Pool: Okay. Do we have on slide five with childcare, I was looking for a criteria onthat talked about how many years in business the childcare center would be. And the one time frame that

[11:22:47 AM]

you note is that they have been offering -- providing childcare since March 1 or it was a childcare provider on March 1. Is the criterion on number of years in operation contained in whether they have met one of the certification programs?

>> So we didn't include -- we didn't include that as a criteria for childcare. I'm thinking the thought process behind that from staff was childcare is such a necessity and it really has become an issue through this time. I just wanted to make sure that we have childcare facilities open and operational. If the thought is there should be a cite onof -- -- cite onof how long they've been in business we can take that into account. I don't know if the rating systems look at how long they've been in business, but we can look at that as well.

>> Pool: I think it might

[11:23:47 AM]

be baked in because it would be to achieve the status and the certification you would have to be able it to prove up that you have been a provider of high quality childcare. And that's the piece that I don't want us to miss. And one of the ways that we know that is by reputation and by actually having provided the service over a period of time. So just -- I'll just leave that there and ask if we could just firm that up that we would be looking for number of years in operation.

>> Councilmember, I wanted to correct myself on the legacy businesses. I'm trying to read messages while presenting. It looks like the 200 number was just the restaurant industry. Staff is anticipating about 350 to 400 businesses in all of the industries that have been in business for 20 years.

>> Pool: Okay. So 200 plus under legacy businesses would be classified as restaurants and then double that number if we added in entities that

[11:24:47 AM]

are considered legacy, but that are not eating establishments.

>> Correct. The other industries listed in the resolution.

>> Pool: Okay. So we're looking at max maybe 400 and then 83 of those potentially through a lottery. On slide 17 I was interested in a genre diversity piece. Are we saying that like a honky-tonk could also have to be a place where you would go for jazz or -- a lot of times these music venues are known for a certain kind of music, like the broken spoke, for example. So I was curious where we were going with the genre diversity piece. We were thinking in terms of the genre diversity, particularly in the

[11:25:50 AM]

pandemic, before live music venues are up and running some of our more established venues might have the ability to do livestreaming, those sorts of infrastructure capabilities that could present a genre, a different genre of music that includes musicians who are person of color. So that was kind of our thought process behind that. That's something that the music commission has been talking about so it's more so in the near future and not so much in the changing -- not so much in the primary genre of music that the venue produces.

>> Pool: Okay. That's an interesting one and I would like to think about that and see what else y'all develop on what that would look like and how that changes the offerings by the different music venues. I think you've already talked about the third-party program administrator on slide 19. You haven't selected one

[11:26:51 AM]

yet, is that right?

>> That is correct. We have not selected a third-party administrator. We've 401(k) Right now with the guidelines and once they are approved it will help us in interviewing interested third-party administrators.

>> Pool: Can you connect up with my staff on the guidelines, the criteria for the selection, so that we can kind of get a sense of how we're making that selection? And also that we message it sufficiently in the community so that when that add administrative entities chosen people understand why that administrative was chosen?

>> Sure. I believe in a previous memo to council we discussed the questions that we asked and the process that we went through in choosing the administrators for the cares funding. So I'm happy to share that. This is the same path that we will be going down in terms of the types of questions we're asking and external are interested in tossing to anybody who is interested in administering any of these programs.

[11:27:55 AM]

>> The last question I had was on slide 21. If you can pull that up. I'm trying to remember what it said. Was to essentially demonstrate wherever you're located that it's you unlike 38 a similar entity would open in that same place if you were to close your doors. And I don't understand that criteria. We would be saying that the tavern if it closed that another eatery couldn't open in the tavern space and qualify for venue funding because it's still an eating establishment, but it's not the tavern? I think that's what that says and I'm trying to understand the rationale behind that.

>> So we took that language directly from the council resolution that was passed but I agree with your interpretation. That would be my interpretation as well.

>> Pool: I have been musing on that since we

[11:28:55 AM]

started talking about it and I still am unclear on the actual impacts of that because it would mean that if another eatery were -- so let's just use the tavern and I'm just -- I'm not saying anything about their viability, but they've been around a really long time. And if if the current owners had to close because they couldn't afford it anymore and somebody else came in and bought it up and ran it as not the tavern,, they would not be eligible because the assumption is they're able to buy it and -- and continue without any support from the city? Or is it intended to keep the original owners of the tavern there and not sell it because we want to help fund them? How do we get to that piece where you can't be supplanted by a similar entity in the same space.

>> I think, councilmember, in the drafting of the

[11:29:57 AM]

resolution two weeks ago in the language that we went back and forth with and as we discussed it, the criteria was to limit those that would be eligible and to limit those where we would lose that use that wouldn't be able to come back. So yes, if there was a restaurant downtown that went out of business it might not be able to be eligible for this funding because in the future post-pandemic we're still going to have restaurants downtown. But it could be that you have a music venue like at ninth and red river that if that music venue went away another music venue is not going to be able to come back and ninth and red river area because the market value is of the dirt and of the uses are so great and it's going to be part of the infrastructure in the stay is forever lost. So I'm not sure that there

[11:30:58 AM]

are many restaurants that would be able to meet this criteria, which is why we really have to search and find other ways to be able to help restaurants, restaurants right now, unlike music venues, they can be open and there are alternate business plans that we have to be able to facilitate people with. We have -- facilitate people with. We have to be able to do the 380 stuff. But as I look at it those combination of those two things I'm not sure that there are, Veronica, as many restaurants as would qualify for this based on the criteria that was adopted and I'm not sure I see the relative numbers in the legacy fund as being more than the ones that would be able to qualify in the music venue area.

>> Pool: Before we get off of the piece about whether

[11:31:58 AM]

you would qualify if you closed down and a similar entity wouldn't be able to open in that space, then what that means is that we are losing the function of that site, say a restaurant, and the only way that particular site could continue would be if it morphed into something completely different. Around I think that loses the sense of iconic because it's not just the structure, but it's what goes on there and who brought the heart and the intention to that space. And it just seems like -- and I'll keep working on trying to understand this, but it seems like you can never win with this particular criteria. That you're demonstrating that it's unlikely for a similar entity to open in this space. I don't understand that. We've got restaurant row --

>> Mayor Adler: Or a nearby location. Doesn't have to be in the same place.

>> Pool: Or nearby location. But when the warehouse

[11:33:01 AM]

district was transitioning from a warehouse district it became a restaurant district and a place for bars and offices. And it really became alive because of the variety in there. And some of the places where the restaurants then opened they're tagged with that is the place for that restaurant even when they changed name on a restaurant, that's still an eatery so there's a continuation that adds to the predictability and just the general ambiance and esthetic.

>> Mayor Adler: I think it was the intent that it wasn't intended to save everything that was iconic. It had additional criteria. It was iconic and would never be able to be replaced. That the use was gone. It would be forever gone from infrastructure in Austin. The danger, and the reason why this really focused on music, was because of what's happening with the market values we're in danger at the end of this pandemic of not having them.

[11:34:03 AM]

We will have restaurants and we want to save as many as we possibly can have a business perspective and there are a lot of things that we can and should be doing and we should be trying to be more and more creative. I think we can do things to open up the opportunities to have more music playing in restaurants, even the bars that are opening as restaurants outside. I think there are a lot of things we can be doing. But the resolution was more narrowly drawn to protect those things that once lost was of an industry that we would lose.

>> Pool: And the only agreement that I have with you on that, mayor, is that I do think that restaurants can also qualify to be iconic places just like a music venue. And I think we have a handful or more of them and if they are lost then the whole site 50 of that

[11:35:09 AM]

particular thing is gone and it is sad that we've lost threadgills.

>> That's why we left it open to allow restaurants, but it would be the rare restaurant that would be able to qualify in that because of the criteria that's laid out. Unfortunately as we've been discussing there are so many people that we want to save so many businesses that we want to save there has to be some narrowing of criteria. And then we need to find everything that we can possibly do also and also for those people that can't meet that criteria. Mr. Flannigan, Jimmy.

>> Flannigan: Thanks, mayor. I have a couple of questions or concerns for staff to think about. I have some issues with this legacy definition. Lgbtq businesses were a much rarer thing 20, 30 years

[11:36:10 AM]

ago. So there could be businesses that opened back in the days where no one would come out but they'll get those investments over some of our more iconic lgbtq venues and bars and that's more problematic for me. The same could apply to poc businesses that weren't given the same access to capital or the same historical family investments that white owned businesses may have gotten, less capital investments, etcetera. Especially, though, I think about having been the president of the lgbtq chamber of commerce for many years in those years and being involved in that organization there were many potential entrepreneurs that stayed in the closet that didn't come out, that didn't open their businesses because it just was going to threaten their family life, threaten their children, it was going to be a problem. So I have some concerns about this legacy thing. I don't know how to solve for it, though. On the childcare piece there

[11:37:13 AM]

was conversation, I appreciate councilmember Ellis's point. I'm interested also in terms of the policies that we should require from childcare providers that they not discriminate against lgbtq families and to ensure that that is a requirement of receiving these funds. But I think ultimately we're all dancing around the same thing we've talked about two weeks ago. And I think that councilmember alter covered why it is the best worst set of options. If we had a minimally operating government. Allocating everything that the government is demanding we wouldn't be in this Sophie's choice we wouldn't be in

this spot to be picking which businesses. It's not supposed to be our on job. It's not supposed to be our job and we're struggling to find the right set of rules and requirements and I

[11:38:15 AM]

appreciate everybody's input on it because there's no perfect answer when we are force understand a place of picking winners and losers. And staff per use the council has said solve everything and we haven't given you an ability to come down. And Veronica, I appreciate you coming up the additional guidance that you're seeking. It reminds me a little bit of the scoring matrix that we developed at campo and councilmember kitchen, you were the vice-chair of campo so you could speak to this if you felt necessary. But that was a long process because we wanted to get to a predictable and repeatable and fair process that would prioritize projects with a cutoff. So it wasn't eligible products and pick them randomly. It was score them in terms of relative value to fill in the blank and when the money ran out you draw the line and everybody above gets money and everybody below doesn't. Also imperfect process because in some ways the

[11:39:16 AM]

state transportation commission came in and said, do you know what. Forget about that. We'll take all the money and put it on I-35. So even in your best case scenario the state comes in and says we're going to make the changes for you. All that to say I would love some thought process around the legacy owned businesses and lbgtq businesses. The rest we're trying to do our best and I appreciate everybody trying so hard. I want these businesses to hear that. If the funds were there we would help everyone. And the funds are sitting in governor Abbott's bank account and that's ultimately what needs to happen. I know the restaurant association, some of us talked to them recently. They're doing their advocacy as much as they can. I encourage all of our business groups to continue to advocate to the governor's office to release those funds.

[11:40:20 AM]

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: First I want director Briseno I hear what she's saying in terms of lotteries so I'm going to give thought to the criteria that we're looking at. That might be helpful to avoid some of the concerns that I had. I also think that we really need to think about putting some more dollars into the legacy fund potentially. Not the fund, but to the amount someone could be qualified for under certain circumstances. And then I have two questions. I'm going back to what the mayor had suggested. Would there be some potential to administer this through the edo? Rather than paying a third-party that is

another entity? The edo is going to be hiring people, for example, or the edo is going to be contracting with expertise or with the consultant, the edo consultant to get up and running.

[11:41:20 AM]

Why not put our money together in terms of -- instead of paying up to 500,000 to some other entity to do a function that we eventually want the edo to be getting into, why don't we put those together. Soiled suggest that, that we consider that, either do it through the edo or use the same entity that may be consulting for the edo and helping the edo get up and started. I would suggest thinking about that. Then the other question is on the three agreements I do hear what people are saying, particularly with regard to restaurants and that the 380 agreements actually may be one of our -- may be our best or one of our best options to assist restaurants. So when are we -- can you help me understand when we're going to hear more about what those 380 agreements might look like?

[11:42:20 AM]

Because it's kind of hard to -- without knowing exactly what those might look like, it's kind of hard to assess? Can you tell me the timeline on that?

>> Councilmember, we're aiming for the August -- not August. October 29th agenda. I'll give a caveat in that staff is hard at work at what to propose there. It's not fully baked right now. And the difference there being in the conversation we're having today we're able to mirror programs that we've done before, we're able to come up with guidelines out of the practice of devising guidelines in the past few months. The 380 suggestions we're starting with a blank canvas. We haven't proposed something like that with our chapter 380. We're being thoughtful about it, being creative and we're really hoping to come back to you on the 2018th. And I will take this point to add as the staff that we

[11:43:20 AM]

have assigned to it are really buried in the work. We're happy, the executive leadership team of EdD is happy to meet with any stakeholders that you might want to send our way, but with we're trying to give staff this time to really think through what a proposal would look like. That's our goal. And I wanted to speak to the edo. Ann Morgan sent an email with a time offline creating the aedc. We're working very strong and steadfast in that regard. However, I do think that, you know, there is going to be some time before it is in place and we're staffed up. Ideally we want want to leverage money, but we don't have the entities set up just yet even though we have council's approval, we have the next steps to take. We're in the process of taking those steps. And then in terms of administering the fund, I don't think the edc would be the entity that would have the ability to create an

[11:44:22 AM]

application, review eligibility requirements and that sort of activity. I still think that we would need that expertise on hand.

>> Kitchen: Well, let me just suggest that with the edo or owe whoa that entity,, my understanding is that we will be using some consulting assistance to get it as a start-up and I'm thinking of the kind of expertise that the mayor it talked about and I'm thinking that that is the same kind of expertise in the edo and that's really where my idea came from. And I don't see why the edo over time couldn't administer. Maybe the administrating part is a problem, but I really encourage thinking about that. In terms of getting the edo up an running, there's a lot of steps, but following the

[11:45:22 AM]

articles of incorporation in the bylaws, which we already agreed to, is the first step. So I don't think you have to have every single step that goes in to a start-up before you can begin doing some of the work, particularly since you have the ability to use a consulting organization as a contact with them to help get things up and running. That's really what my thought was. And the other thought was that we've got -- I don't know if we're talking about the same entity, but we're talking about one point, up to \$1.5 million to pay for administering three funds. Two of the funds are probably more like each other than the others, but that's a big chunk of change to again send to a -- an outside entity as opposed to what our synergies could be

[11:46:24 AM]

with an entity that we know we need to get up and running as soon as possible. So that's why I was thinking of that.

>> Mayor Adler: Okay. Veronica, by way of comment, I agree with Jimmy's point about again the criteria being really prescriptive. 20 years I'm not sure really is something that should be applied. A lot I'm also cognizant of what Jimmy is talking about and you've talked about where if you have some objective criteria it enable you to narrow down the world and get the funds out the door more quickly. I'm having trouble figuring out how you balance that with if hi a venue who got together with their landlord and they came in and said my landlord is willing to enable us to be here for the next 10 years. So they're offering a bigger lease discount for a longer

[11:47:26 AM]

period of time, I want that to be a higher priority project. And I don't know how you make that a higher priority project if you're deciding the priorities before you know what the proposals are that are coming in, which gets me back again to thinking that maybe the first step is to get expertise available for the people that meet the criteria, which I think is probably a lower number than you had, and actually engage them and say, okay, let's go and see what you can -- what the opportunities are. And a landlord that's willing to give up more is probably going to end up having a better chance at getting capital and getting cash than the one who says I'm not going to talk to you. And then -- so you don't actually award the grants initially. You start the process and get people the expertise and the help that they might not have ability to get themselves and you're providing that additional capacity to help people may

[11:48:28 AM]

be the first step and then you can figure out then how to actually award things that go beyond how do I keep somebody alive for 30 days as I go through that process. And I don't know how to do that because I also recognize it's easier to do a grant award if you just set objective criteria and have applicants and have a lottery and send back out. I don't know if that gets to us where we're ultimately trying to get to. I'll think about that too. I don't know what your thoughts are over the next couple of days.

>> We will also give that some thoughts, mayor.

>> Mayor Adler: Thank you. Kathie?

>> Tovo: Thank you. Did anyone else have any questions? Is there anyone else who had questions. I have quite a few. If you don't mind going to Greg and back to me, that would be great.

>> Mayor Adler: Greg.

>> Casar: And my frequents here are brief. I would really like director

[11:49:32 AM]

Briseno for you to let us know how to provide you with the flexibility that I think a lot of the colleagues have mentioned just because in a childcare setting if you have speaker someone that is providing immigrant children with specific childcare services in their narrative language as well as English and it may be an equity issue that you want to take on and be able to specifically address that but it's hard to game out that those specific cases in your role. And I know it's hard to deal with all the individual circumstances that will come. But I feel comfortable providing you with some of that flexibility for you to nimbly be able to act knowing. But I think we have pretty shared values on some of these equity questions that were raised by everybody and I think really specifically some of the ones that councilmember Flannigan raised.

[11:50:33 AM]

So I would personally err on the side of giving you more flexibility and then you explaining later how you best use that, but again, rather than me going and trying to Reyes that between here and Thursday, I think it would be great for you to think through how you could provide yourself that nimbleness, especially on issues of equity. I agree what councilmembers pool and alter raised and rare, I do want to put in a little bit of work and maybe post something on the message board to better clarify I think what we were trying to get to two weeks ago on making sure that worker laws are followed and then also making sure that there's some level of recognition of our musicians as part of the music venues, making sure that there's -- unrepresented genres are represented and musicians are also created well on the other side of this. And so I think that we can actually write some specific there's so that there's not

[11:51:33 AM]

a lack of clarity and so that people aren't confused about what it might mean and I'm happy to help with that and work with that on any councilmembers if you want to call me.

>> Mayor Adler: Cool. Anybody else before Kathie? Kathie? Kathie is gone now. I think it's just you and then we will break for lunch.

>> Tovo: Mayor, I have pulled some of the items that relate to this. I don't know if we're going to center time to address them all together, but I think maybe we could try because there are all related. So the questions I have -- so we have several items on the agenda that are affecting bunch changes and a lot of them relate to -- the ones I wanted to start with were the ones that related to I don't know where to start. We have a lot of documents

[11:52:34 AM]

here. Let me start with -- I appreciate also as my colleagues have the hard work and the creek work of the staff to identify these options. With regard to the October 9th, 2020 memo, I wanted to ask a question about -- thank you for discussing the other kinds of revenue that you considered other funding options. I just want to make a point that when I raised the incentive agreements I was not looking at whether we could use or would want to use the portion of the economic incentive that were in effect meeting the obligations of previous actions. It was really a prospective look forward. Would it be worth having those conversations with those companies now about their performance metrics for the following year that would be paid out in fiscal

[11:53:35 AM]

year 2022 -- 2022. So I see that the legal department is getting back to us with a more detailed response and that would be useful, but I just want to clarify what it was I was asking for additional information about last. What would be the impact of -- [indiscernible]. I understand there wasn't a will to move forward with that so I'll just leave it there but it's important to clarify. In this memo you referred to the memo that we got back about right-of-way fees and the impact of using those. So I want to step back and say I brought forward the amendments to the mayor's resolution that asked for the potential and asked us to explore the potential use of this grouping of fees. And I still think it's a really good idea. What I think the question that I think is before

[11:54:35 AM]

council is how much to allocate. We have a few options and the staff have posted us for action in such a way that allows us a range of alternatives. We could use the right-of-way encroachment, alleyway, street vacations to supplement the amount that we're posted for in terms of the use of sales tax revenue or we could use the amount of the sales tax budget item that's on our agenda to correspond with how much we allocate through right-of-way encroachment, street and alley vacations. So I think we have that big choice about whether to reduce the sales tax because we have this alternative funding source or whether to increase the pool of funds. And then with regard to the right-of-way item 71, I want to talk about -- we've now gotten three memos, which I really appreciate all this additional information. And it's gotten consecutively or -- it's gotten more and more

[11:55:35 AM]

detailed, which I think is really -- has really positioned us well to make a good decision this week, so thank you. We did get a memo on October 16th talking about the right-of-way use fees and one on October 1st and October 9th. So I have questions that I think relate primarily to October 9th since it is the most detailed so it looks like we could use up to 3.7 million in funding from this source and the staff have talked about what the impact and potential reduction in services are. And some of these I could support and some I think we should consider leaving the money where it is for those planned expenditures. With regard to traffic signal construction that seems to me based on the description that that is something we should move forward with and hopefully there is someone from transportation staff that can answer questions about this.

[11:56:42 AM]

>> Terry just getting moved over, councilmember.

>> Tovo: Mayor, what time did you intend to break for lunch? I guess I should have started with that question?

>> Mayor Adler: Maybe we break for lunch now, come back at 1:00 and start here. And then we could pull in all those items if we want to I know some we may be discussing in executive session as well but there's all of those that -- almost 70 through 78 and also 80 may be things that we want to pull up. So colleagues, it's noon now. Let's come back at 1:00 and we'll do all things budget related in that category.

>> Tovo: Mayor, if I could before we break, I just wanted to say the questions that I really have, I have some for staff, but also for our group really relate to the October 9th, 2020 term

[11:57:43 AM]

fund redirect because I think we need to make a decision about whether we want to use all of the 3.7 million or do we want to figure out what I think might be the better approach is to really talk through some of those potential program impacts and be thoughtful about which ones make sense to delay for the year. I'm also interested in and maybe staff can get us this information, what they think the fund balance might be for fiscal year 20 for Austin transportation department because I think that plays into this discussion as well. I know from the memo they said they're still finalizing it, but they probably have some sense wildfire it will fall. And again, I think it would behoove us to have a conversation as a council about whether this 3.7 or something less than it is supplementary to the other saves pieces or whether we want to. In accordance with what we allocate from this lending

[11:58:44 AM]

source.

>> Mayor Adler: Okay. We will do that. And to take another look you have a lot of uses getting money and eligible in the legacy fund and I thought we just listed music venues, art venues and restaurants and bars but I will take another look at that too.

>> Mayor I think you are correct, we will make those amendments before Thursday.

>> Mayor Adler: All right, guys. It is 11:58 we will come back at 1:00 o'clock here to start where we left off. See you guys in an hour.

[Lunch recess]

[1:03:14 PM]

>> Mayor Adler: We have a quorum. We're going to go ahead and reconvene the city council meeting here today on October 13th, 2020. This is work session. We're back from lunch recess now and continuing on comments on the last staff briefing that we had about the saves resolution as well as the related popped items. Kathie, we were with you if you wanted to continue asking questions.

>> Tovo: Thank you. I wanted to ask some questions about the memo we got from transportation department on October 9th. And using 3.7 million or as much of 3.7 million as in this way. And you know, as I look through the program impact it sound liked a few of these are probably not things that we want to do

[1:04:17 PM]

necessarily. What stuck out to me is traffic signal and now that you've broken down -- now that you've broken apart the capital improvement program into traffic signal, I would propose that we leave that in signal construction because it's a safety issue but I wanted to ask about all of these different categories and different questions about each one. I'll make it quick. Can you help us understand where you are in the schedule of planned replacement with vehicles and field equipment? That was proposed in this year's budget at 550,000. So how old is the equipment that would be replaced if we don't remove the funding and

[[inaudible]].

>> Councilmember, we'll wait one more minute for

[1:05:18 PM]

Dr. Spillar to get moved over to the panel.

>> Tovo: Sure, thanks.

[1:06:19 PM]

>> Hello mayor and council. This is rob spillar. I'm now available and I've been listening to the questions and I'll try to answer them. There's nothing that feels more helpless than to sit there and know you have the answer and can see people, but you can't speak. I apologize. On the vehicles we go through the standard fleet maintenance cycle so every vehicle is a little bit different and obviously if a vehicle breaks

that's out of cycle so it would be hard for me to answer where we are in that information. As I said in any memo, however, we would certainly replace equipment that represents a safety risk to our employees, but if we have to go another year on a sedan or a pickup truck we could probably survive on most of that equipment. It does represent a savings from our standard replacement process that we could achieve there and I estimated I think 550,000 for that.

>> Tovo: I remember from

[1:07:23 PM]

past audits that sometimes we place things towards the earlier spectrum of that range just to make sure that our vehicles are replaced head of planned we pairs so I feel pretty comfortable about that especially given that you've said that if there's equipment that needs to be replaced.

>> Of course.

>> Tovo: And I also --

[inaudible]. It seems there are other funding options like KO's or other funding opportunities if that was determined to be a need that needed to be done. But in any case I feel pretty comfortable about that reduction in capital improvement. Again, signal construction I would saying that we reduce the amount at 300,000 so that signal construction can go forward. As I read two and three, transportation demand

[1:08:23 PM]

management program and downtown Austin core transportation plan, to me your response in several of the memos seems to be suggesting that because of different conditions a delay in moving forward with the investments that were proposed in fiscal year 21 is okay and I want to be sure my understanding is accurate. With regard to the tdm program you've made the point in the memo that weekday volumes are about 25% lower.

>> Yes, that's correct.

>> Tovo: And the smart trips is not impacted by this reduction.

>> That is correct.

>> Do you have any substantial concerns about reducing the tdm program at this time?

>> Councilmember, I do not right now for the next two years that program is funded by non-tough funds so tip

[1:09:30 PM]

funds. So those would be the right-of-way funds, the tip funds, they can be reduced and focused as the decision is making decisions about multi-modalism this next month. It gives us the chance to re-coordinate with our partners and figure out how to move forward on those. So I'm not worried about either of those. The downtown core transportation plan like I said, I don't have with a major impact on that. There's some probably major pronouncements coming out over the next six to 12 months we anticipate working with txdot. As we better understand how that ties in I think we will have some staff coming off of the street impact fee projected projects and other projects that would actually be able to lead that effort. I think a six to 12 month delay is fine there as well.

>> Tovo: So it sounds like it would be appropriate to defer those regardless of whether or not we were trying to reallocate the funding.

[1:10:32 PM]

>> Right.

>> Tovo: Great streets I need to think about. In the earlier memo it says in the 19-16 memo it talked about a 650,000 transfer to great streets.

>> It's actually 728,000. We transposed the numbers when we rounded up, but it's close enough to the 700 to 800. 728,000 is what we typically transfer replanning to transfer. And that comes from our parking revenue as you know. But this year and next year we have the unique situation where we're having to prop up the parking fund and pay for the enforcement using tough funds, which is appropriate because we're managing the right-of-way. So if we're able to reduce the transfer out of parking, we're able to reduce the need for that transfer, which then frees up monies to support the saves fund.

>> Tovo: So can you talk us through what the -- what

[1:11:34 PM]

planned improvements might not go forward? We had a series of council resolutions, for example, to use some of the great streets funding for some of the really necessary improvements along red river for place make, but also for increased maybe some lighting, some other structural changes to improve that area to make sure that we had enough garbage cans, things of that sort. So I want to be sure the projects of that sort. And of course I have a lot of with respect for the great streets program. I think it's been important for place making throughout downtown and I don't want to did he rail any planned projects. I need an understanding of what might not go forward if we used 728,000 in this

[indiscernible].

>> Councilmember, this is Rob Pillar. I'm not sure I can specifically give you what delays, but I will make sure I coordinate with the housing and planning department to find out if

[1:12:34 PM]

there would be any delays. I do know that they have a fund balance there that -- so this may be a minimal impact, but I would defer to Rosie Truelove, director on that. I will make sure we have that answer for you by Thursday or before.

>> Tovo: I appreciate that. It looks like they have a fund balance of six million so it may be that this is not -- as you said would -- could potentially have a minimal impact. While I'm thinking about it in the earlier memo, in the 9-16 memo it lists the full amount in tip revenue as 9.6 million. I want to make sure that I and everyone else understands that point. What you're making into the transportation department this year is projected to be

[1:13:35 PM]

8.3 million and you have coming up in the 3.7 figure you've backed out all of the salaries for transportation staff who are currently funded through right-of-way revenue as well as any fees associated with administering that program.

>> That's correct.

>> Tovo: I want to make sure that's really clear because I know that's a concern we've had. In using the money this way we are not going to be in a position where we need to lay off staff.

>> That is correct.

>> We're not taking away the transportation department, which an enterprise fund's ability to pay for the costs of administering those programs. All of that has come out of that almost 8.4 million.

>> That's correct.

>> Tovo: Okay. And I wanted to talk for a little bit about two more issues with regard to this memo and then I have more questions but I can leave it there for my colleagues. Under the freeze, the other option here is freeze vacant positions and stagger augmentation and this may be

[1:14:36 PM]

a question for our manager. It was my understanding that in many departments, possibly all there was a hiring freeze.

>> That's correct.

>> So manager can you help me understand this is the second time where funds are being allocated from personnel funds appear to still be in departments' budgets even though there is a hiring freeze. I think in economic development a few weeks ago if I'm remembering the language correctly, I think some of the money for the economic development staff was coming out of salary money that was budgeted within EdD and because of the hiring freeze they wouldn't be hiring for those positions. But I guess I'm wondering and this is something appropriate for a q&a. I'm wondering how many departments, all of which

[1:15:37 PM]

are subject to a hiring freeze, already have money in their budget despite the that can that they're not supposed to be hiring, have money in their budgets for the next fiscal year reflective of some of the salary costs.

>> We have a process in place for making any exceptions to the hiring freeze but I would also offer if Ed van eenoo wants to talk about impacting individual department budgets.

>> Sure, Ed van eenoo, deputy chief financial officer for the city. We have a hiring freeze in place. It remains in place. We have built vacancy savings into department budgets to reflect that hiring freeze. I think part of it has to do with the duration of how long we are expecting, which may be somewhat more on a department by department basis what the anticipation of the duration of the hiring freeze will be. So there is still some flexibility for departments

[1:16:40 PM]

to continue the freeze a longer period of time. And in fiscal year 21, that would result in additional savings, this will depend upon the Dewhurst covid-19 goes and the course that our economic recovery goes and there by the city finances. So while the hiring freeze is in place, the numbers are not necessarily etched in stone because it depends on how long it remains in place. It also talked about staff augmentation so I might return to director spillar to speak about the staff augmentation piece as well and how over time or perhaps consultant staff augmentation that aren't subject to the freeze could be utilized if there are some critical needs that otherwise wouldn't be in this part of the plan.

>> Yes, councilmember, this is rob spillar. I can only speak about atd that we use augmentation to

[1:17:41 PM]

fill in gaps in our professional capabilities, specifically in our design and some of our operation areas where a number of years ago we made a decision that was a business approach to hire that expertise on a long-term basis, five to six years basis and come back to council for approval. So we do rely on a number of augmented professional staff that otherwise we would not be able to compete for in the market to have as full-time employees so they actually provide a lot of support for our design and operation areas. >>

>> Tovo: That makes good sense to me. But there are two questions here. One is -- I'll ask this question offline or try to make sure I'm understanding your response. I guess I'm really employed in what other departments might have it built into their budget for positions they will not be hiring for

[1:18:42 PM]

while we have a hiring freeze. With that we can take

[indiscernible] Outside this conversation. With regard to this number five, the vacant positions and staff augmentation, the language says if you're hiring vacant positions which you aren't right now because of the hiring freeze and reutilize the staff augmentation, do you have money elsewhere in your budget to hire consultants if you need to? It says reduce. It doesn't say eliminate entirely the budget for consultants, so I'm assuming you still have some funding in the budget.

>> Yes, we do, council. For instance, the downtown plan we likely need consulting help with some of the downtown simulation modeling so we've maintained about 100,000 of that planned budget for that augmentation to our internal staff. We would like to turn to one of the augmentation companies on staff or already working for us to provide that stability. So yes, we do still have

[1:19:44 PM]

monies for specific programs and projects.

>> Great. So in reducing that amount from the almost 8.4 down to 3.7 you've already factored out some of those projects that are moving forward for which you need consultants or other kind of assistants?

>> Yes.

>> You haven't detailed that for us, the five million. I don't know that I need to see it, but I would say if my colleagues have concerns about any of these elements, maybe we do need to see that detailed break down of what money has been taken out of that right-of-way to keep those things that you in your discretion need

[indiscernible].

>> Councilmember, if I could make one correction. We haven't taken it out of the right-of-way fees, we've taken it out of the budget which arrive ways have helped to support. So by reducing our expenditures on vacancies and so forth

[1:20:44 PM]

using, for instance, tough, we can swing money into those other programs where we're pulling Terp money out of. So I don't want you to think it's all Terp money we're saving there.

>> Tovo: Thanks for that clarification. I think my last question for the moment for you, director spillar, is did you have an opportunity over the break to get a sense of what the fund balance is that you think you might close out this money with?

>> Yes. It's a little bit complicated but if you will let me explain it hopefully it will be clear. As part of our fy20 covid impacted budget, atd had planned to have an ending balance of 8.5 million. For our approved fy21 budget we had planned to use 7.7 of that fund balance to meet our program needs and maintain fund solvency. And so that means going in to fy22 we would have passed or planned to pass 800,000 to start that next budget,

[1:21:44 PM]

fy22. So those funds there are in case of emergencies. Over the decade we've been there we haven't had to tap those, but last year and this year we've had to tap the balance to deal with the emergency. As I indicated at the end of close of one for fy20 we had a fund balance due to right-of-way fees and improved parking fees. So we had projected a pretty dismal parking revenue after covid response, but it started to do a little bit better so again we've had to supplement that a little bit less. So you've asked for -- council's asked for 3.7 million to the saves. So atd is proposing to use about 1.2 million of of that newly found fund balance in fy21 and the way it's found in the budget ordinance is that we're not -- we're maintaining expenses of about 1.2 million so we're not quite giving up

[1:22:45 PM]

3.7 million in expenses, we're giving up the revenue for the savings act, but maintaining about 1.2 million in expenses. That allows us to use some more of that fund balance and that would end up with another 700,000 to pass to fy22. I want to point out when you add those two together that's only about two percent of our annual budgets so it's pretty slim. If another emergency comes I will not be able to as they say pull the rabbit out of the hat on this one and going into fy22. So we're really in a pretty firm margin of before two percent going forward.

>> Tovo: Thank you for that information. It's very helpful. I couldn't follow all of the details of it so if you tonight mind -- don't mind putting it into the q&a if you end up with more remaining funds in fy20 than you anticipated, at least

[1:23:47 PM]

1.2 million of them can go toward building back some of this 3.7 that we're proposing taking. So that may change my consideration of whether we use all 3.7 or not because it's something that I wanted to make sure we went forward like the traffic signal construction, had the money to do it.

>> Might have been able to go ahead [overlapping speakers].

>> I do want to explain something about the signals. We rang signals that are needing to be built over all the city based on severity of crashes, the number of trips and congestion and that's the one signal on the bubble of being able to do or not do when we gather. So I'm not picking on one signal intersection or another, that's just where it lined up in the the priority.

>> And it seems really critical to move forward with it. I wouldn't want to jeopardize that. What you're telling me is you've identified other funds to cover it that I think -- then I think we're clear on it.

[1:24:49 PM]

Okay. Thank you. That's very, very helpful.

>> Yes, ma'am. I'll also respond in q&a to show you that will.

>> I do better when I read.

>> Yes, as I do. Thank you.

>> Kathie, thanks for bringing these things forward. I think some of them might have promise, if you can talk to us a little bit more about the business fund, in other words, if we grab money do we use it right away, that kind of thing, so I can better understand what your thinking was with respect to that. But with respect to the questions that you've just asked, rob, my understanding is that the vehicle years is not really an issue given where you are, the signal construction. I agree with Kathie probably not a place to go. The atd and atc sounded like you need to continue those anyhow. You've had changes in events so it's not whether what we're doing saves or. No

[1:25:51 PM]

it's to the staff that you will take a longer look at and come back with more details on that. I want to make sure that we're not put at risk in the great streets of somebody developing somewhere and losing the streetscape with somebody's development which once gone is going to be very hard to be able to retrieve. So make sure, please, Rob, that's part of your analysis. Then with respect to the freezing of staff, just want to make sure that you take a look at and let us know if there's -- if we're losing opportunities for funding or for right-of-way or design input for projects or slowing down development review and permitting or missed opportunities for faster, less disruptive work by doing work together with other projects, that kind of thing. It sounds as if there's going to be available funding there, but as you do the analysis if you would just make sure that you look at those kinds of things in

[1:26:55 PM]

addition to all the other things that Kathie asked you to do.

>> Yes, Mr. Mayor. I don't want to lead anyone astray. When monies flow out of an approved budget there is a constant impact. We're trying to mitigate that as best as possible. And as I committed to originally.

>> Mayor Adler: To be clear, make sure you give a fair airing to what is the opportunity cost so that you're not just trying to meet the request and need, but the council has really a fair notice of what the opportunity costs are if we were to decide to that way.

>> Yes.

>> Mayor Adler: Any further questions on either the report, the briefing that came or from Kathie's resolutions, which I guess were the pulled items that

[1:27:58 PM]

you pulled, 71 -- I guess we can ask questions on either 70, 71, while we have everybody here, 70, 71, 72, fee, 74, 75. So with respect to those. Any other further questions? Okay. Then we'll go to other pulled --

>> Tovo: I'm sorry, I did have a couple more. First I just wanted to answer the questions that you raised. This was really -- thanks to Shannon Haley for coming up with this revenue idea and suggesting it to me so I could bring it forward. It really was in support of your saves resolution. So it was just about identifying another revenue opportunity for that work. And so that kind of gets back to that earlier question I raised about

[1:28:58 PM]

whether we adjust the funding [indiscernible] Budget amendment postings that we have so that we end up with the same amount, but use a little less from here and it there or whether we move forward with all of them and then have that funding available to use to support those businesses and regroup with what's left over for next year if there is leftover. So that kind of gets us back to -- that's really my answer. I'm not sure how I would answer that for myself. I wanted to have those revenue opportunities.

>> One option that as I sit here it seems like it might make sense to me is to take the funding that you're able to identify, put it into that business fund but leave the money sitting there

[1:29:58 PM]

until we see what happens with the five and five and five. And see if there's a different -- if they work, if they need more, how it might be allocated. But given the conversation we had this morning it might be if there's money there we could immediately take out of that fund the professional services fees that several of us talked about this morning. Ann talked about it as well, the attorneys, the cpas to help with those other three funds so we're not getting the corpus of those funds for that purpose. Maybe even administrative monies. But leaving the bulk of that fund that would otherwise be created so that it doesn't get spent somewhere else so that it sits there. Off the top of my head that might make sense. It takes men's to me.

>> I think that's a pretty interesting idea. And again, if we didn't need

[1:31:00 PM]

all that funding it would be there available for reallocation in next year's budget if we found. Or if we found higher priority or additional fees. So that's an interesting idea and very responsive to some of the concerns that we heard. And I have one last question --

>> Kitchen: Mayor, I wanted to comment on that --

>> Mayor Adler: It looked like Alison did too. Ann, why don't you go and then Alison.

>> Sorry. I just wanted to comment that mayor that your concept might be something that would work, I think in terms of using those dollars for that. I would not want to see dollars we've identified through atd for the dollars that we already have in the fund. I would not want to do that. That's not the decision I would make if I was going to prioritize amongst all those ones in front of us. Because I do think that the

[1:32:05 PM]

programs that we are moving dollars out of for atd, they're important programs, but I appreciate director spillar letting us know that some of those things can be deferred without jeep par daysing their continuation. So I'm okay with that. I do want the director to respond to the questions that you asked, mayor. So anyway, I would think more in terms of additional dollars being used to supplement, not for saves. Thank you.

>> Alison?

>> So I'm not sure if this is staff or whom, but I wanted to clarify because I thought that 3,700,000 was part of our 15 million. Because the property tax -- the sales tax addition I don't think exceeded

[1:33:07 PM]

15 million. I had thought that the three million 700,000 was already included that. So if staff or somebody can, maybe Ed van eenoo can walk me through that again so I have that straight, I would appreciate it.

>> So the 3.7 million was part of the 15 million that staff proposed on October 1st. Council did not approve the 3.7 million at that time and instead directed staff to come back on October 15th with utilizing sales tax revenues that are coming in above what we had initially projected to get to the \$15 million. So that's owe thee action is on your -- it's part of the 8.5 million, the agenda item that would appropriate 8.5 million. The \$3.7 million that we're talking about here is part of that 8.5 million that we are bringing back given council's direction on October 1st. On October 1st there's also direction provided by

[1:34:08 PM]

council to come back with an item to appropriate right-of-way fees to a business preservation fund. So that's what the -- that's what this 3.7 million is for.

>> Mayor Adler: Ed, when was the six and a half that was approved and allocated to the 15 a couple of weeks ago? Where did that come from?

>> The six and a half million was predominantly from changing how we'll go about funding the upgrade of the human capital management system. That we had prefunded the general fund's component of that project. We're going to still do the project, but as it gets phased in over the course of three or four years the general fund will have to contribute on an annual basis, so we're able to free up that six million dollars of prefunding and the general fund and there was five million dollars which was a small reduction to our annual capital replenish

[1:35:10 PM]

meant funds.

>> Mayor Adler: Go ahead, Alison.

>> Alter: Ed, do you think we can get this in writing? I'm not sure I'm following it all and I don't want to leave any ambiguity. So if I heard you correctly, before we came on October 1st there was a proposal for 15 million. It includes the 3.7. We paused on that but there was 6.5 million that we agreed on and then we'll do the balance to the 15 million from property.

>> Sales.

>> Alter: From sales tax. So that was 8.5 and that's the 8.5 that's on our agenda from the emergency reserve. Then there's -- on our agenda there's an additional amount for the food program with good works Austin, etcetera. This 3.7, I think that's the right number that councilmember tovo has

[1:36:10 PM]

identified, the notion is that it would go to a business preservation fund which would be a fourth fund or location for providing covid relief.

>> Yes. And the business preservation fund is to have funding go into it from these right-of-way fees and also there's a resolution directing staff to come back with any street and alleyway vacation sales or encroachment fee avenues that exceed what we need to pay for the staff and what we've included in our budget already.

>> Alter: That is the same 3.7 that was originally in your October 1st or different?

>> The right-of-way fee avenue is the same 3.7 million that we talked about on October 1st, but on October 1st we did propose some fee increases in atd in order to offset that revenue lost and that's

[1:37:10 PM]

the part of it that council didn't support and so that whole aspect was not approved on the first and that's why we're back today looking at a different alternative for reaching into that 3.7 million but one that relies on -- that has service consequences associated.

>> Alter: Thank you. And is there another -- there's not other pot that I'm missing? I wanted to make sure we had all the pieces in order and were not confused. That there's a pot that we have identified that is part of the discussion. We have the 8.5 in sales taxes, the 1.5 for the food program. We have the 6.5 we identified at the prior meeting. So we're at 15 million for the saves three buckets, 1.5 for the food bucket and now we are identifying the 3.7 going into the business preservation fund. And then we have the

[1:38:12 PM]

conversation of the 80 as additional funding on the visitor information. Which we haven't had that conversation yet.

>> Right. The only other one on there I think would be item 72, I believe, which is the resolution that would direct staff to come back with any street and alley vacation sales or encroachment fees that are more than what we budgeted. We already assumed \$800,000 in this year's budget for this year's revenue r4s, but if they come in higher than that staff would come back with a budget amendment to move those dollars into the business preservation fund.

>> Alter: Okay. And the 3.7 is also going into the [indiscernible].

>> Yes.

>> Or some portion of it.

>> Alter: Okay. Thank you. I appreciate everyone's indulgence. I wanted to make sure I was clear on all of the pieces. Thank you.

>> Flannigan: Mayor and councilmember, I'll note that the four items from budget that were being

[1:39:14 PM]

described, 60, 70, 71, 72. They were the direction that council gave at the last council meeting.

>> Mayor Adler: Kathie?

>> Tovo: Thank you, councilmember alter, that was really useful to lay out the evolution of that. And just to clarify again the business preservation fund was really just a name I created to support the saves. So I don't know that we want to be wedded to that. It's really to do the same thing. The intent was to support those venues but to create a dedicated funding stream for the next couple of years. I hope that embedded with the action that we're contemplating on Thursday is what would happen in the next two years with regard to street and alley vacations and right-of-way fees that we would also look to creating that for a very

[1:40:14 PM]

limited period of time creating that additional support in upcoming project cycles. And I do have this one quick question. In item 71 we got a fiscal note and then revised fiscal note. I'm struggling to see how

they're different and I just decided it would be fastest for me to ask you,ette. Or director spillar if you could put us to where the difference is.

>> The only difference you will see on those, councilmember, is the fy21 amended beginning balance. I believe that number is going to be different. The various items that have been posted are all kind of connected so assuming that council approves the 1.5 million, we have that connectedness in correct on item 72 and 73. So the revised version kind of syncs up those three items in anticipation that they would all be approved in the order that they're going to be taken up by

[1:41:17 PM]

council.

>> Mayor Adler: All right. I think that gets us past these items. Let's get to the beginning of the list of pulled items and make our way through that. Item 21 was pulled by councilmember harper-madison. Natasha, do you want to talk about that? It's a fee acquisition.

>> Harper-madison: Item number 21 was -- is that one where it's 2.214 acres of land, and just for reference it's behind that parking garage near the rei along the shoal creek trail. I pulled this one because I have some concerns about the \$1.174250 million for this

[1:42:22 PM]

particular .2.214 acres of land. I wanted to ask staff questions about the rationale here. I guess that would be pard that I need to ask about how they went about selecting this site, why, what's the benefit to the city? Is this a good cost opportunity. I have several questions about this item.

>> So this is Kimberly Mcneil. I didn't start my video, I apologize. Kimberly Mcneeley from the parks and recreation department. This piece of land was selected for multiple reasons, but one of the major reasons is because it's part of the historic wood street settlement which was according to the Texas historical commission there was a distinct enclave of African-Americans and later memories frequents the civil war that lived in this space

[1:43:25 PM]

even post the

[indiscernible] Plan. So there is already an historical marker there that designates that space and it's along shoal creek so it allows a partnership with the shoal creek conservancy that's Ada accessible but more importantly it provides us an opportunity to interpret that space than to allow for it to be a

stopping point on the trail for individuals who are on the trail to understand the history of Austin and to interpret that space in a way that has never been interpreted before. The shoal creek has been in partnership with the parks and recreation department in regards to this particular idea and they are willing to assist in partnership with the interpretive space and paying for the interpretation of that. We've not talked too in-depth about that, but I know they've committed as partners. Also this funding is from parkland dedication fund so it is not coming from

[1:44:27 PM]

capital funding or it's not coming from the bond funding in any way, shape or form. It's coming from parkland dedication fees and those parkland dedication fees as I know you all know so I don't want to bore you with the details, but there's very specific criteria about which those parkland dedication fees can be used and they're to be used in a particular planning area. So those fees all come from areas which are in the downtown area that would allow us to purchase this land without any way, shape or form to touch the cip money. I would like Alex gale from real estate to speak to the price but we are only able to buy pieces of land that have been valued at a fair market price so he can talk to you about that process, but I'm also prepared to answer any other questions from pard's perspective that you might have,

[1:45:29 PM]

councilmember.

>> Mayor Adler: Natasha, if you're talking, you're muted.

>> Harper-madison: Thank you. I said I do have more questions so I would appreciate you sticking around and to give you a head's up about the direction I'm heading I will have questions about us spending a million dollars on this real funky little piece of property that frankly looking at it doesn't seem especially well suited for interpretive programming. And while I can appreciate the intent it doesn't seem very accessible at all or particularly inviting given the surrounding development. It's behind a parking garage. I could see this being a potential access point for shoal creek with interpretive programming honoring the black history of the area Duncan park, but this price just seems so steep to me for an access point, particularly on a

[1:46:30 PM]

piece of property that to me looks undevelopable and has low risk for development. So I do have more questions about the park specific component, so I could just keep asking you questions or we could jump over to Alex about the cost.

>> I'll finish the parks if you don't mind. I can finish some of that.

>> Harper-madison: Not at all. Please do.

>> Admittedly it is a narrow stretch, piece of land. But I think you hit the couple of points that we believe as a parks and recreation department that are important is that it provides accessibility to the trail. It's another access point. It's a point that people can come up from or go down to to the shoal creek trail. And I think the word accessibility when I say accessibility we can make it Ada accessible and not all points on the trail. Right' threw there's a social trailer social access point that people are using already in that space, but we can make it accessible and appropriately

[1:47:30 PM]

accessible. It also presents an opportunity for us to take a look at the opportunities -- I think I already said this, the opportunity for the cultural heritage. I realize it's not a large spot, but I think it has some significance and I think it -- our intention was to highlight a piece of land and a significant space that stood the test of time to the 1970s and to be able to tell that second story. I can tell you that there are people who are already accessing the space based upon our communications with the shoal creek conservancy so it's just that it's not an additional trail head that is officially accessible. I understand where you're coming from with the cost, but I think that Alex gale can explain the fair market cost and how that was determined.

[1:48:31 PM]

>> Thank you, Kim perfectly, Alex gale from the office of real estate services, interim officer. Councilmember harper-madison, for this and all our other acquisitions we do hire a third-party appraiser to help us determine a fair market value for this property. That is the same process that we went through with this. The appraiser of course looks at comparables in the market to come up with what they determine appraised value for the property. For this property they located seven camp rabbles, the adjuster made adjustment for multiple things including location, zoning, encumbrances, size and time on the market. Through those adjustments the range of those comparables was anywhere from \$108 to \$174 per square

[1:49:34 PM]

foot. They basically said the average of that is roughly \$125 per square foot plus the roughly 922 square feet is how they came to the value conclusion of the \$1.165 million plus the closing cost which was the additional funds as part of this action. The highest and best use the appraiser found was it being assembled to one of the adjoining properties. That was essentially had what would bring the highest and

best use to that property adjoining it to another property. And so even though we are only going to be using it with parkland with parkland acquisition, we are -- it was appraised based on the highest and best use of the property.

>> I appreciate that but I

[1:50:34 PM]

still have some questions and concerns about accessibility. I know director Mcneely referenced being able to be an Ada entrance point and a trail head, but from what I can tell there's no frontage for this property so it's not easily accessible either by pedestrians or cars. I don't understand why anybody thinks this is accessible.

>> I understand what you're saying, councilmember, and I certainly respect that opinion. There is an opportunity after the purchase, the property is purchased to be able to vacate the right-of-way and basically be able to double that, but we would first have to make the purchase. I'm not a vacation or right-of-way expert, I just know that is an opportunity for us to increase the size of that space to make it more desirable and provide for accessibility.

>> Harper-madison: Okay. I understand we're talking about parkland dedication fees. I understand there's

[1:51:34 PM]

restrictions there and where they can be expended. I do as we're talking about making this expenditure you well know that evergreen cemetery was recently vandalized and you all have been going through the process of reconciling that vandalism and one of the things we're looking into is lighting and a new fence for evergreen cemetery. I have a tough time reconciling that we're having this conversation about over a million dollars for a tiny sliver of barely accessible property and we don't have any money to do the work in evergreen? It represents me wrong and I don't know that this is the appropriate way to expend our dollars. In this case I would like to actually ask that if anybody is opposed to us postponing this item just to allow more time to determine if this is in fact the best investment we can make in this area or if this is a good purchase for us to make at all,

[1:52:34 PM]

frankly, I have in my doubts. I would like to have more time to have more questions answered and consider more components of the proposal.

>> Sure. If I might add to the conversation for the councilmembers' consideration and obviously for you also, councilmember harper-madison. That parkland dedication fees, part of the criteria is that they are to be spent on new land acquisition or spent on new amenities within a park system in order to provide for the new population of the development that is going to occur in that given planning area. So being able to take this funding from this planning area and being able to use it at evergreen, that would not likely be a use that those parkland dedication fees would be able to be used for. However I did want to answer

[1:53:35 PM]

your question about available funding for evergreen. While there hadn't been any available funding that had been identified, there is \$2.5 million that are associated with cemeteries and bond funding and only approximately 1.2 million or .3 is being spent right now on roadway improvements within cemeteries and that leaves approximately a million dollars for investment within any of the cemeteries, which could include security, it could include lighting, those sorts of things. We haven't received a final estimates on what secured could look like or what the lighting would look like, however we also have other funds within the cip program that we could consider using for perhaps -- we do have an entire fund for parking lots so there might be an opportunity for us to be creative and put the puzzle together a little differently. But these particular parkland dedication fees would likely not be appropriate for evergreen, but I don't want you to think that we don't think that evergreen is important.

[1:54:35 PM]

We're looking at other funding sources to ensure that we're able to address those issues.

>> Harper-madison: I'd love to talk to you more about it later. It looks likes some of my colleagues have questions to I will end there.

>> Mayor Adler: Jimmy? You're muted. >>

>> Flannigan: I almost never do that. Thank you, councilmember harper-madison, that -- I was having some similar questions so thank you for bringing those things up. Ms. Mcneeley, I think this is a good opportunity for to offline, talk about and maybe kind of revisit or reinform some of us about how those parkland dedication fees work.

[1:55:38 PM]

I know we all know that you couldn't move these monies to the other side of town, but the funding, there are pieces that fit together as you articulated. I think that might be a useful exercise. I would

certainly support postponement of this item so that if others have concerns, but I share councilmember harper-madison concerns and it would give us an opportunity to think through some of those more creative options to the park staff I'm sure has looked at before.

>> Mayor Adler: Further comment?

>> Tovo: This is my council district so I wanted to make sure that I let you all know that I am supportive of this acquisition. I want to understand a little bit about what the postponement, what the postponement would do? I think it's -- we've talked about the parkland dedication fee in our audit and that we have a

[1:56:40 PM]

requirement at this point to spend parkland dedication fees in the area in which they're captured.

[Inaudible].

>> Harper-madison: Am I the only one who can't hear councilmember tovo?

>> Mayor Adler: I think councilmember tovo is asking the question about the impact of a postponement.

>> Harper-madison: I'm happy to answer. Today I couldn't support the item. I'd like very much to just have more time to understand the rationale behind this acquisition and if this is the best possible use. I mean, we keep having those conversations about the use of funds and I just want to know -- I want to feel confident that this is the best possible use. And then another thing that I was considering was, you know, because of the shoal creek landslide, there's a part of the trail that's not

[1:57:40 PM]

even open and I don't know what that looks like for future repair of the landslide area. I just don't know that this is the best use of over a million dollars for a very, very small parcel. So I would just like to have the opportunity to maybe talk to Kathie some more because this is her council district, talk to pard more. I just -- I don't see this as beneficial.

>> Mayor Adler: Kathie? You're on mute.

>> Tovo: How about now? Can you hear me now?

>> Mayor Adler: Yes.

>> Tovo: Thanks, councilmember harper-madison. I'm not in a subquorum on this and I would love an opportunity to talk with you about it between now and Thursday. I would ask our parks staff to maybe talk to us a little about the acquisition S it's my understanding that this has been in the works for some time. There aren't a lot of available tracts in the area. I don't know how much of what I was saying

earlier came through, but I was saying this is, as director Mcneeley said, these are fees that are designated for

[1:58:40 PM]

very particular purposes. It's my understanding they can't be used in cemeteries even if there was one in the catchment area where those fees have been generated. So the projects that generated these parkland dedication fees are in the downtown area and the intent of them, and I think our legal responsibility is to spend them within close proximity because the intent is to kind of create park spaces for places for the new residents you're offering. So to me as I looked at the plans, the shoal creek intonight this area, improving accessibility along that chain, I think this is a really critical tract not just from that perspective, but also because of its cultural and historical significance. So I'd really like to see this I agree with councilmember harper-madison. We've had conversations about the importance of the security

[1:59:41 PM]

cameras before you provided us with the correspondence from director Mcfeeley. I don't think these are in competition, because the funds can't be used outside of this catchment area, they can't be used in the cemetery. So we're not faced with a choice on Thursday between acquiring this and providing evergreen with the money it needs. And I would say, too, I would also look at -- I appreciate that you're looking elsewhere for those dollars, but we also do probably have some money in the hotel occupancy tax, that I know we've used in our historic cemeteries, including oakwood. Perhaps that is unused to fit the statutory requirements at evergreen. So again, I don't see those two things in competition. I understand it is a lot of money for the tract, but we're also talking about downtown, and the real estate values are high there. So I sure would like to see this move forward, in consideration

[2:00:42 PM]

of -- that we have the opportunity now, and I know it's been in the works for a long time. Director mcneily, can you help us understand that piece of it, how long our staff worked to pursue the opportunity?

>> I'm going to actually ask Alex, because I think he would -- we've been partnering with him in real estate.

>> Mayor Adler, do you mind if I response to councilmember tovo first before explaining the rationale behind the purchase?

>> Mayor Adler: Go ahead

>> Imfully aware of the limitations of the fund. Fully away this is -- these aren't funds that can go towards that. I wasn't implying that, if that's how you interpreted that. I just brought it up as an example of a source of frustration when we can't seem to find the money for other things. I wasn't comparing the two items. And that said, I can provide a

[2:01:43 PM]

laundry list of needs that are -- if we're talking about proximity that are pretty close to downtown, just happen to be on the east side of the highway.

>> Mayor Adler: Alex, do you want to respond to the question?

>> Yes, councilmember, we've been pursuing this for about a year, based on, you know, quick texts with my staff. And my understanding is that for this, we have to use it within a half mile of where those park land dedication fees are set from. Which is where this property's come from. I don't know how this would affect postponing [lapse in audio] I've tried to reach out to my staff to see if I can get that answer to see if they have a feeling of what postponing this would be. I think the 29th is the next council meeting. But I think I'll have a better answer, if I don't get it in the next few minutes, on Thursday, for council as well.

>> Mayor Adler: Okay. Thank you.

[2:02:45 PM]

Let's go on now to Leslie, and then Pio and then Ann.

>> Pool: I think it would be helpful to hear a little bit more from the shoal conservanconservancy. They've been working maybe three years now, maybe four on completing the trail. The slide that Natasha was talking about, it's north of this. And there is a reroute trail around where the slide is, now on the east side of the creek. So that's a safe -- you know, that transit area is safe for people for walking. This part is down further south, and my understanding is this land can't be developed anyway, and it is a tiny sliver of land. It's where shoal creek does flood. And taking it into our portfolio

[2:03:46 PM]

would provide some protections in that area. And also, actually create a trail and make it accessible to people where it isn't at this point. The conservancy is doing significant work in this arena, and I'm

supportive of this particular item number 21, but maybe it would be helpful to hear from the conserany folks to expand that we're reaching our scope with our funds.

>> Mayor Adler: Okay. Pio was next.

>> Renteria: Could you help me understand, you mentioned that money has to be used within a half a mile? Of that dedication? It has to be used within a half a mile of the project? Is that how it works?

>> Councilmember, if I could help Alex a little bit. There are some parameters. So we have some parameters for

[2:04:47 PM]

the use of that. And we start at a half mile. We'll go as far as approximately two miles. These are in the pld standard operating procedures. So we like to start within a half mile, right? Because when we talk about walkability from the project, from the development, we want them to be able to access that. But we can go as far as two miles. And so Alex was quoting the

[lapse in audio] End of the parameter.

>> Renteria: You know what's surprising was that, what happens to money that, you know, if we got the development -- you've got the surplus of parkland in that area, does that money just stay there until -- what happens to that when you don't need any more park land?

>> So that park land dedication fees could be used to improve an existing park or provide a brand-new amenity in an existing park. That would be another one of the criteria, either purchasing land, or providing a brand-new

[2:05:50 PM]

amenity that can be used by the individuals who are now moving into that space.

>> Renteria: I really believe, I think that we're going to have to sit down and have another presentation about the park land dedication fund. Because that's not the way I understood it at the beginning. But now that you all mention that, I really am -- I want to find out a little more about this. Because this is very -- this is new to me.

>> Mayor Adler: Okay. Ann?

>> Kitchen: Well, councilmember Renteria asked the question that I was going to ask. So I'll defer to councilmember alter.

>> Mayor Adler: Yes, Alison?

>> Alter: Thank you. Miss mcneily, it's my recollection that the park land dedication fees and what you can spend on them is determined by,

[2:06:52 PM]

I believe it's state law, which is what allows us to impose park land dedication fees in the first place. And so the rules are really -- it's the amounts that you can impose, and the circumstances when you can impose them that we get to control, not sort of what they can be spent on, am I remembering that?

>> I think -- without going into lots of conversations, the overview, the umbrella of that, also based on some case law, so there's some case law that talks about how uses have been -- or how ordinances have been created in the past and how they have been disallowed by the court. So it's a little bit of both. It's both some of the rules and regulations set by the state, and it's also based on some case law.

>> Alter: You know, the reason

[2:07:52 PM]

our particular ordinance does vary, depending on whether it's park land deficient, or park land rich area, if it's a park land deficient area, consistent with our goals to increase access to parks, in many circumstances, but not all, land is required when appropriate given the size of the development. And so there's some nuance there that's involved, and, you know, it had been a very -- it has been a very important source for us to be able to fund improvements and purchases around the city. And I think it's a really important program. I'm fine with us having a refresher for folks. I think it's really been a very beneficial program for allowing us to have access to funds to improve access to parks. Which is one of our top ten strategic goals.

>> Mayor Adler: Any further conversations before we go to the next item?

>> I would like to respond.

>> Mayor Adler: Hang on.

[2:08:52 PM]

Councilmember tovo?

>> Tovo: Thanks, mayor. Councilmember harper-madison, thanks for the clarification. Again, I look forward to our conversation outside of the forum. I did want to be sure, councilmember Flannigan, I'm not sure I completely followed what you're suggesting in terms of information that would be helpful

prior to making a decision. I know you said you would support the postponement, but I'm not exactly sure what you were suggesting, were the points, that you were still contemplating.

>> Flannigan: Sorry, I'm not sure why my webex is so slow. Director mcneily talked about how there are different needs in the park systems and there might be more creative ways to explore using these funds in different locations. I thought that was an interesting point, and wanted to know more about it.

>> Alter: Okay. Thanks for that. I guess I would ask her to clarify. I thought when she was saying there were creative ways to

[2:09:53 PM]

explore using funds, I thought she was talking about funding opportunities for evergreen. But maybe I misunderstood. Dr. Mcneely, would you mind clarifying?

>> Yeah, that was the intent, in this particular conversation, was that we could -- if we had other creative ways to explore funding for evergreen. But I don't want to disagree with councilmember Flannigan that there are other ways to explore how we fund park and recreation amenities. We could have both conversations.

>> Flannigan: I would just like to add, if you don't mind, councilmember tovo, it's not for me, it's not as much about this specific parcel beyond the way councilmember harper-madison has articulated her concerns that I share, but just the process by which staff is prioritizing the expending of these funds. Just getting a better understanding of what those options might be and how those options are being prioritized, is there an amenity in this area

[2:10:53 PM]

that might be more valuable than this one little parcel here, or maybe not. But it hasn't been communicated that that's -- what that analysis looks like.

>> Alter: So if I could suggest, one memo that I think is interesting, at a busy time for all of us, is the memo that the parks and recreation, and maybe all of you have read I several weeks ago, but it just really hit my attention in this last week, but on September 15th, 2020, we got a memo, the history of parks and recreation and park land acquisitions, and it's a super long memo, and it has different maps and various other things, and it was helpful to me because it showed what other projects are currently being -- have either just been bond funded and completed, or are under way, or are contemplated. So I guess I would ask our staff if they would make this

[2:11:53 PM]

available as part of the backup information for this item. I think that would be pretty useful. And two, if we could get a list of the projects -- I'm aware of the projects that have contributed to this particular set of park land dedication. I think that would also be useful in the back up information. And just to clarify the suggestion. Are there other creative ways that the park land dedication fees could be used under our existing ordinance? We certainly could make changes to our ordinance, but we would have to -- I think I would want to have that conversation in legal session for the reasons that councilmember alter said. I mean, we are operating under a state law that allows us to collect these fees, and have a certain time frame under our city regulations for using them. And there are other kinds of considerations we would want to be aware of.

>> To answer the question, as

[2:12:54 PM]

I've clearly confused everyone, I apologize. My comments about finding creative ways to provide funding, in this conversation, were specific to evergreen cemetery. No, you cannot use -- you have to use park land dedication fees under specific criteria, which I'm happy to outline, and have specific conversations with council for refreshers. I've also had conversations separate and apart from evergreen and/or park land dedication fees with other council, including councilmember Flannigan's office related to creative ways of funding parks. But there's three separate issues in this conversation that I obviously did not communicate well.

>> Mayor Adler: Okay.

>> Mayor?

>> Mayor Adler: We'll come back to you, Pio. Natasha had her hand raised.

>> Harper-madison: I did. I would say given the nature of

[2:13:54 PM]

the conversation, I would still like to ask if there's anybody opposed to postponing the item until we get the opportunity to -- like councilmember pool said, I think that would be great if I had the opportunity to get a better idea from the shoal creek conservancy exactly what their thinking is, what their rationale is here. I would like to talk about park land dedication. I would like to know how many projects are within the two-mile radius of the expenditure for -- I just have a lot of questions. Frankly, I'd like very much for us to have an executive session where we could discuss the real estate component. So I just need more time. And between now and Thursday is not going to be enough. I would really like to have the opportunity to be more informed, and feel confident that this is the appropriate route to go.

>> Mayor Adler: Okay. Pio?

>> Renteria: Yes, mayor. You know, I agree with Natasha there. I have a lot of questions about

[2:14:55 PM]

it. And that's what I really want. I mean, the park dedication fund has done a lot of good for our community. So I don't have anything wrong with it, I just want to make sure that I get to know exactly how it gets -- who decides how it gets distributed out. And I want to make sure that we're -- we're east of 35, that we're getting our fair share of some of that money, because I've got a lot of development that has gone into my district here. And I just want to basically find out how much is in there, and what kind of projects are in line for my district, and for 1, and 2, and 4, and all the districts. That's what I want to know. I'm glad Natasha brought that up so we can have a meeting on it, and have a discussion.

[2:15:55 PM]

And so we can be on top of everything that this dedicated fund does.

>> Mayor Adler: Okay. Ann?

>> Kitchen: Just a quick question, so that I can think about responding to councilmember harper-madison's questions. I think someone said this early on, I'm not sure if I caught it, but what would be the impact of postponing?

>> I reached out to my staff from their perspective, if we were to postpone it to the 29th agenda. It won't have much of an impact. I think the following one to November 12th, we might be a little bit more -- so we wouldn't have a problem postponing to the 29th, if council wanted to make that motion.

>> Kitchen: Okay. So we wouldn't lose the opportunity to purchase this

[2:16:58 PM]

property, assuming people got to the point they were uncomfortable with it? In postponing it?

>> Correct.

>> Kitchen: Okay. Thank you. I just want to say, I think -- it would be very helpful, and I would like to have the conversation, too, about the use of the park land conservation fund. I understand the concerns my colleagues are raising in terms of being able to use it for other areas. Actually, to understand the dollar amounts that are available for different parts of town. And I think that's useful to know. But I don't want to pass up an opportunity to purchase a piece of property if the money can't be used for the

areas of town we're concerned about anyway. But what I'm hearing is that, if it's not a problem with postponing, that's really the bottom line I think at this point.

>> Councilmember, if I could just let you know that we have a

[2:17:59 PM]

ready-made video and presentation, just coincidentally, not in anticipation of this conversation. But it's all about park land dedication fees. I think it will be a really good educational tool. We could launch that tomorrow if somebody wanted to talk with us about it. But I'm sure we'll contact your offices and set up those meetings for a future date prior to the October 29th meeting. So that we'll be able to answer your questions.

>> Mayor?

>> Mayor Adler: Yes, Kathy?

>> Tovo: I guess I would ask staff if that would be appropriate to have that linked to the backup. I'm glad postponing it to the 29th doesn't put the sale in jeopardy. I want to emphasize again, talking about the project under way, it needs to be seen alongside the park land dedication information that we're going to get. Because I -- what I'm sensing from the memo, the conversations

[2:19:00 PM]

we've had, is when there's a park land dedication fee, when you've got park land money, you use that in the areas that may not have park land dedication you're using bond funds. So you're trying to leverage the different funding in different places, depending on which areas may have generated it. And using bond funding in those places that may not have a pool of funding. I think like page 4 of that memo, and some of the others talk about the projects going on around the city that are bonded through bond funds, and sources other than park land dedications.

>> Mayor Adler: Okay. Anything else on this one? Leslie?

>> Pool: In case I oversold the conservancy interest in this area, we'll let them give us their opinion out of it, if it's not something they're chomping at the bit at right now. But it is part of the shoal

[2:20:01 PM]

creek area. And a parcel of land that conservancy would have some interest in, whether on a top of their priority or not. I just wanted to make sure I wasn't overselling.

>> Mayor Adler: Okay. Anything else? Yes, Natasha?

>> Harper-madison: Just to give a sort of heads-up to -- well, these are my other questions, I'm guessing I'll just put them out there so folks in the interim can be queueing up to be able to answer them. I think -
- did I hear correctly that one of the stipulations with access in this particular fund has to do with an amenity that benefits new residents? Did I hear that correctly? Or did I misinterpret that?

>> Right, the reason why we have -- one of the ideas of park land dedication, one of the purposes is that when you have -- people who are moving into a space, you want --

>> Harper-madison: That's what I

[2:21:01 PM]

thought I heard. I just wanted to make sure. I appreciate that councilmember Renteria said what he did, because to say that districts 1 and 3 have capital letters far more new residents in construction happening in this area, I'm trying to imagine the last time I saw residential construction going on around there. I'm not sure that's happening. Those are the kinds of questions that I would like to have answered. And I'm not sure exactly who would be the appropriate party to answer those questions. But I'm not -- I'm certainly not implying anything. I don't know exactly. I'm just saying, I would like to know. So the questions can be answered. That would be great

>> I'm happy to send you a list of the developments that happened. Their addresses. And that information, so that you'll have that.

>> Harper-madison: That would be great

>> That will be part of the backup also.

>> Harper-madison: I appreciate it, director Mcneeley.

>> Yeah.

>> Mayor Adler: Anything else on this one before we go to the next pulled item? Colleagues, I want to let you

[2:22:02 PM]

know that I'm going to need to leave at 3:00. To go do a covid meeting with Dr. Escott, and I'll return if you're still going on. It's 2:20 now. Next item, councilmember Flannigan --

>> Kitchen: Mayor?

>> Mayor Adler: Yes?

>> Kitchen: I would like to take up 80 before you have to leave. Let's be sure and get to that one. I thought we were going to take it up with the others, but we didn't. So I would hope we could get to that one before you have to leave.

>> Mayor Adler: Okay. Let's go ahead and take 22, and then we'll take number 80. Jimmy, do you want to talk about 22?

>> Flannigan: There it goes. Literally, it takes like 30 seconds for that button to change. This is quick. I'm feeling much more comfortable with the master plan, division plan, but for area 1.

[2:23:02 PM]

And that's the area surrounding the expo center. I'm still concerned about the assumptions that were used in developing that part of the plan. And I don't know if it's included anywhere in the document, but I feel like that -- there needs to be some acknowledgement or requirement that projects or grants or anything occurring in area 1 need to come back to council for review or consultation, or maybe even a council committee. It could be a housing and planning committee, it could be anything really. I just want to make sure stuff doesn't start moving forward in an area while there's still so many questions on our relationship with Travis county and the rodeo and what the future of that site's going to look like. Kimberly, can you --

>> I don't know if there's anything specific in the plan because that's more of a process thing. But I'll tell you, if we're

[2:24:03 PM]

going to expend dollar amounts that are greater than the city manager's authority on this project, regardless of what improvement we do, is going to be greater than the city manager's authority, it comes back to council for approval. And grants are also required to come back to council for approval. So it's kind of baked into the process, without explicitly saying that. I will tell you that the plan is going to include, based upon feedback we received from council members, an entire menu of options of different ways we could fund different areas of this plan, and that will be something that's added to this plan for final approval. And there will be a general statement in there that says we might have to amend this particular plan based upon the different planning priorities that are happening in the area. So if you'd like to give me further direction, we're finishing up the consultation with our consultants to date, and we can make something -- we

[2:25:04 PM]

can put something in the plan. But that's already baked into the process, we come back to you for approval, that's already baked in our process already.

>> Flannigan: I think it would be useful, because sometimes the process is much like the item we were just deliberating, it comes to council when it's nearly completely baked. And it becomes very difficult to unpack things at the end when we want to unpack them. We want to pack the package right at the beginning. My metaphors aren't working anymore. But I think we've made our point.

>> Mayor Adler: I think I understood what you were doing, Jimmy. I think we need to help resolve the question of what we do with the expo center and how we do that. So that we're an active participant in that decision with the county, and get that conversation to move forward. If this is another one that helps us do that, I think that's a part of this larger conversation. All right. Anything else on this item?

[2:26:05 PM]

We'll move from that. Ann, do you want to bring up 80?

>> Kitchen: Yes, thank you. And colleagues, I just -- I pulled this myself because I wanted to bring it to everyone's attention and I'll also put it on the message board so I have a chance to see what everyone else is thinking today and tomorrow. So item 80, it relates to the conversation we had earlier about saves, but it's a different piece of it. Basically I view this as an idea that's really an idea that's worth us trying. And it is an idea that gives us an opportunity to really be creative about how we're thinking about tourism and the hotel industry and how we're thinking about protecting our brand as the live music capital.

[2:27:09 PM]

And how that brand is really key to our ability to attract tourists, and to support our industry. So the idea that is a focused narrow idea, and the idea is to create a fund that will help us sustain our iconic businesses, most of them are music venues, so I'll use that as an example, the ability to sustain our iconic music venues going into the future. And the reason for that is because they create our brand, and they are essential and key to our tourism and hotel industry. So more specifically, what this does, at this point, it's a step in the process, and what it says

[2:28:10 PM]

is that we are creating this fund, it asks the city manager to bring us back a budget amendment to transfer one time -- this is not an ongoing fund -- but to transfer one time an amount of money that can be directed over to our economic development entity, and used to create a fund, I'll just call it visitor

information center fund, that can sustain itself over time. So it's a one-time -- it's a one-time use of hot tax funding. And let me be specific. I'm talking about hot tax funding, not the funds we currently use for the 15% cultural, not the funds we currently use for the 15% historical, and not the funds that are part of the live music fund. This is funds that come out of the portion of hot tax that we

[2:29:12 PM]

use to promote tourism and the hotel industry. It does not have a dollar amount in it, because we don't yet know what the appropriate dollar amount is that will allow us to proceed with this idea without jeopardizing the ability to move forward with the convention center expansion. So I want to emphasize this. This is not intended in any way -- and I think it's possible to identify a dollar amount, that doesn't prevent us from continuing with the convention center expansion. So the timeline is, and the process is, that we're asking the city manager to come back to us with a budget amendment at the same time that they would bring back to us a contract with the economic development corporation to actually take this project and run with it. I have a November date in here.

[2:30:14 PM]

I have to consult back with our staff on whether that's the right date or not. It would be the date at which they would be ready to come back with us. So the other thing that's in here is that there are criteria listed in here, and the reason for the criteria is to be very specific about our intention. And that intent is that we're looking at locations that have a value to tourism as a destination. We're looking at locations that have a track record of success, that have an interest in participating, and securing the venue as a recognized iconic tourist destination. We are looking for locations that agree that they want to participate in this kind of arrangement. And so we're looking at that. We're also looking at structuring this such that the

[2:31:15 PM]

amount will be something that could leverage other dollars and then regenerate itself. So it might be used to help an entity, it might be used to purchase a location with a leaseback arrangement, for example, in using those rent funds to further it. There's a range of ways in which it could be done. We don't want to be too pre scriptive. But the bottom line is, it has to relate back to our purpose here. It just recognizes, it gives us -- as I said before, we have talked over and over again about something that we feel like is important for our city, and that is a mechanism for -- a mechanism for ensures the sustainability of those group of entities, the group of music venues primarily that make this place a destination. And at the same time that we are

[2:32:17 PM]

considering evolving our convention center, evolving the way it looks, evolving the city as being a destination for tourism, we've got to look at all pieces that make this city a destination. And the convention center itself as a building, that's not it. As we heard from our consultants around the convention center, that the industry is evolving to recognize that it's the place, the destination. So we have -- I'll give you some examples. We did include an attachment with some examples. They're not intended -- that list is not intended to be exclusive. It's intended just to give people an idea of the places that we have that are recognized already by visit Austin as iconic Austin music venues, or iconic Austin restaurants. So those are examples. There are things like, you know,

[2:33:18 PM]

the broken spoke, which is one I'm very familiar with, the -- you know, victory grill, the historic scoot inn, thread gills, although we may have missed the boat unfortunately on thread gills, at this point. Anyway, there is a whole range of them. The list is intended as examples. And they're listed here, intended for the economic development organization to at least consider those, and then there may be others that fit this criteria also. And also, to recognize over time, as we build a fund that can be a sustained fund through our economic development organization, that, you know, that we can continue to support additional entities. So the last thing I'll say is that this uses hot tax funds. We've always asked the question, can we use hot tax funds.

[2:34:18 PM]

I have worked with our legal staff, and yes, we can use hot tax funds for visitor information centers. There is not a question under the law about whether we can do that. Exactly how that has to be defined, in other words, what exactly do they have to do to be a visitor information center, that is not defined in the law either. That is something that we need to think creatively about. Think about the connection between that and tourism and the hotel industry. And then design what those parameters would be. So I think this is -- I just want to say that I really think it's -- we really have an opportunity here to think creatively and I hope that we will do that. I just wanted to lay that out for folks to see if you all had questions, if you have any feedback for me at this point, that would be great, or we can

[2:35:18 PM]

work with feedback on the message board. There's a lot to be said about this. And I don't want to talk too much. But I'm hoping I'm conveying the -- conveying what I think is a real opportunity. We don't have a lot of opportunities to help protect our brand.

>> Mayor Adler: I was thinking, you pulled this up early, if you want to know what I'm thinking, I'm happy to comment on it the best that I can. First, I really want to applaud everybody's effort, yours and everybody's, to try to come up with every way we can to try and help the music industry, to help our iconic places. Because I think that's real important. And I'm excited that we were able to take the 2% earlier and dedicate it to music, the bond

[2:36:19 PM]

package that we had, the work that the whole council has done on the saves resolution, at the last council meeting and this council meeting, with the 280 agreements, and all of those kinds of things. And I think we have to constantly be trying to think about the economic development corporation, all the different ways that we can think of to be able to do that. Because I think it is so important, and certainly you have been one of the leaders on this in terms of trying to find funding for the arts infrastructure in the city. The proposal that you're bringing for us right now concerns the use of hot tax. Which is a conversation that's been ongoing for a while. And I think we have to be careful about those conversations, just because I think that if we're not careful, we create, as Pio talked about last week, expectations in the

[2:37:20 PM]

community that we can't meet. And I want to try not to do that from my perspective. You talk about using the hot funds. Certainly we can use the hot funds, as I understand it, we can use the hot funds for convention center. Convention center expansion. We can use the hot funds for as you indicate, for a visitor center. We cannot use the hot funds for just things in the city that generate tourists, because that's not one of the allowed uses to help fund things that generate tourism, or generate tourists. Unless they also fall within historic preservation component. And then it needs to do both, historic preservation and operate as a tourist draw. But then it's also limited to that 15%. We can use, for venues that are

[2:38:20 PM]

a tourist draw, only when they involve the arts. But then it's limited to the 15%, as do both those things, the arts and a tourist draw. And right now we're doing that. We're pulling down the max 15% for those. And I think that some of the things that you listed are things that I think might very well be meaningful for historic preservation dollars, and might very well be able to apply for and get in line for, and maybe

be funded especially during this period of time with the historic preservation dollars that are otherwise generated. But the additional element that you're bringing forth this time is visitor center issues. So being creative in what we can do about visitor centers, you know, can we get money to some of these places with respect to the visitor center component. And I think that is a question that I want to hear legal come back to us with, and tell us

[2:39:21 PM]

what the parameters are. My understanding is that we can fund that portion of their operation that is for tourist center functions. You know, if a venue wants to put in a kiosk that deals with visitor center stuff, my understanding is that we can do that. We can help pay for the kiosk or the space, and we can pay for somebody who is there to man that. My understanding is we couldn't pay that person if they're also waiting on tables, or working behind a bar, or that kind of stuff. So getting the staff to tell us what the constraints or parameters are with respect to trying to use visitor center funding in one of these locations is something that I think would be helpful if legal would come and talk to us about. But I think it's real important not to over -- I just want to

[2:40:21 PM]

make sure that the community understands what I believe is that there's limitations associated with how that could be done, and what the extent of that would be, and how that is narrowly funded. I'll give another people a chance to talk, too, Ann.

>> Kitchen: Let me respond first. I just want to say one thing. I absolutely agree with what you're saying. I just think it's important to point out for folks, and I'll ask for a -- you know, for an executive session, but I just want to point out for folks, the things that you give as examples are not in the law. So what you're giving as examples about what we can use the dollars for, for a visitor information center, may be a very appropriate interpretation, but they are not required by law.

>> Mayor Adler: I heard you say that.

>> Kitchen: Could I please finish?

[2:41:21 PM]

>> Mayor Adler: No, let me give some of the other council members a chance to talk, too.

>> Kitchen: But mayor, I think this is important. It's mine, and I think it's important to allow me just to finish my thought on what you said. Then I'm happy to leave it --

>> Mayor Adler: Finish up.

>> Kitchen: Okay. Because that's the challenge for us. There's a judgment call here that we all have to exercise. I just didn't want to leave the impression amongst my colleagues or the public that what you were suggesting was stated in the law. It is not in the statute. It is not in ag opinions. And it is not in, you know, court cases. Now, it may be the most -- it may be a reasonable interpretation, that's what we have to talk about. But I just didn't want to leave that impression. I also share your concern. I don't want to create

[2:42:21 PM]

expectations that can't be met. But at the same time, I think we need to think of interpretations that think broadly. So thank you for allowing me to respond to that. I think it's important for people to understand what the law states, and I will ask for an executive session.

>> Mayor Adler: Natasha, you had your hand raised.

>> Harper-madison: I did. I was just going to ask, while we're having this conversation, something that could be helpful, for me, certainly I can reach out independent of the group, but I'm wondering if some of my other colleagues might be interested as well, something that would be helpful is to know, one, whether we still have access to the consultant that helped us with the edc project, and if so, can we ask them if this is the kind of project that they foresaw as appropriate for the first venture for the edc? I would just like to know that part. That would be helpful for me.

[2:43:23 PM]

>> Mayor Adler: Okay. If they could check on that, that would be helpful.

>> We'll follow up, councilmember.

>> Mayor Adler: Thank you. Further discussion on this item 80? Yes, Mr. Flannigan? Jimmy?

>> Flannigan: Just so that we're clear, the part of the law that defines visitor information center, section 351001 part B means a building or portion of a building to distribute or disseminate information to tourists. So I understand that, you know, we can interpret words to mean different things, but there is a definition in the law.

>> Mayor Adler: Thank you. Any further conversation on this item 80?

>> Mayor?

>> Mayor Adler: Then let's move on to the next pulled item.

>> Mayor?

>> Mayor Adler: Go ahead, Kathy.

>> Tovo: Thanks. I think I'm having the same button issue.

>> Mayor Adler: We can't see you, but we can hear you.

>> Tovo: Okay. I just wanted to thank councilmember kitchen for bringing this forward.

[2:44:24 PM]

I think it continues to be important to explore all the various possibilities we have for hotel occupancy taxes under state statute. We've had lots of conversations over the years, and it's taken a lot of those conversations to get to the point where we're really more fully utilizing our options. And this is clearly one. And I look forward to conversation in executive session. And I think it's important to look at not just how the city has typically allocated it, but how our partner entities in Austin have typically used the hotel occupancy tax. Because that, too, I think provides us with a legal framework for -- and precedent for how we -- what kind of projects might be appropriate.

>> Mayor Adler: Okay.

>> Tovo: And I do think it's broader than we have typically done in the past.

>> Mayor Adler: Okay. Further on number 80? Ann, do you want to close this out?

[2:45:26 PM]

>> Kitchen: Yeah. I just wanted to close by -- I appreciate that everyone needs to think through their own perspective on this. I brought this forward, because we've had a lot of conversation, and this council has done some -- you know, we've had a lot of conversation about our challenges. And this council has done a lot of very creative things across the board in trying to resolve our challenges. And so I think this is really an opportunity for us to evolve as a city, and perhaps solve some of our challenges. Again, I recognize, and I want to hear what the mayor is saying. We don't want to create expectations that this will solve everything, because it's certainly not. But it is a piece, I think, that we could consider. So I think that's important for us to take the opportunities that we can to evolve in how

[2:46:26 PM]

we're thinking about our city, and protecting the things that we think need to be protected.

>> Mayor Adler: Thank you, Ann. Colleagues, on item number 76, that's the calendar for next year's events. I posted something to the message board. Every year we have a conflict between the United

States conference of mayor's meeting and the United States conference of clerks. I don't know what the name of that organization is. But they fall on top of one another. Or they fall in alternate weeks. So I'm proposing, and the clerk's office is cool with having that first meeting the end of January on a monday/wednesday as opposed to a tuesday/thursday. If you could all take a look at that, that enables both of us to be at our respective national meetings. And that's posted onto the message board. Item number 50. Councilmember tovo, you pulled this one.

[2:47:38 PM]

This is the relevant budget fee amendment to reimagine public safety with the Austin code department.

>> Tovo: Thank you. You know, I think I'm still in the process of getting more information about this. So this might be -- I would like to have more questions on Thursday. But one of the questions that we had, we've got a few instances in our -- well, I have a couple of different questions for our code department. We've got a couple of different instances in my district where code was involved, but it was probably need for additional resources as well for the individuals who were having

(indiscernible) On them. I thought it might be useful and I know my staff have reached out this week and have gotten some more information about what kinds of resources code offers to property owners. And I wondered if whoever is here from code might talk a little bit about that.

[2:48:39 PM]

As I understand, they can and do make referrals to meals on wheels and other kinds of services. And in particular, I wondered whether there were any relationships that the code department has with social workers or others who might be of assistance when working with a property owner, for example, might have a property and need property (indiscernible) Or some other issues that are really more complex than a particular code enforcement action.

>> Good afternoon. Good afternoon, mayor, councilmembers, city manager, thank you for those questions. Yes, we had a conversation with your staff [lapse in audio].

>> Mayor Adler: We've lost you. We've lost the sound.

[2:49:40 PM]

>> Hello?

>> Mayor Adler: If you can state your name. Do you want to try to not do your video, and see if that helps you with the audio?

>> Can you hear me now?

>> Mayor Adler: Yes.

>> Can you hear me?

>> Mayor Adler: Yes.

>> Okay.

>> Mayor Adler: We can't hear you now.

>> Renteria: You were on earlier. You're on mute now.

>> Mayor Adler: We can hear you.

[2:50:40 PM]

>> Do we have Elaine Garrett in the line? Maybe she has a better connection and she can answer the question.

>> Mayor Adler: Actually, we can hear you right now. Go ahead

>> Yeah, we do provide resources to the community. On what they need, when they have an issue with completing the repavers, when we have issues. We continue to update the list. We continue to work with the other departments when we have to provide those resources. Most recently with eviction issues, we make sure that we provide all the resources that the tenants need. But we take advantage of the cities of the city. So our job is we do provide at least the resources, when we have issues and noise violations, yes.

>> Tovo: Thanks very much. I was interested to learn that code can provide -- and I hope does, as a matter of course when

[2:51:41 PM]

it's appropriate, provide referrals to, I think I mentioned to public health, to others, to -- I think there is an opportunity as we have a conversation about code department and what Austin code of the future looks like, I think there's an opportunity to join and make sure that we've got a full understanding of the resources that are available. I know the customer assistance program and medically vulnerable program within Austin energy also has a list of resources. And the ones that might need to be included within there, seem to be potentially some referrals to social -- to maybe some social work support, when, again, it would warrant it. Then I want to shift gears and talk a little bit about, as I see this resolution, it is asking -- I mean, it's asking for analysis and for identification of working with the auditor's recommendations

[2:52:42 PM]

which is very appropriate. And then potentially to move forward with fee adjustments and shifting duties to Austin code. And, you know, I think we have -- I think that's an interesting direction to consider. I would say there are several areas of -- that we've identified as a council, as a community that need improvement within Austin code. And I really appreciate our new director, and your willingness to tackle some of the challenges within Austin code. And so I don't want this to be a reflection on your leadership, because you've been in this position for a very short time. There you are. You're on my screen now. And we've had some past great leadership in your role as well. But we do continue to have some issues with regard to a few areas. Substandard housing and enforcement, I would identify as an area where we've tried a lot of different things and we still

[2:53:43 PM]

haven't -- we still are not at a place that I would have anticipated we would be, in making sure that we have the ability to really take appropriate enforcement actions when there are residents and properties that are not being maintained in a safe and healthy environment. That's just one area. The other area that I would say we continue to put resources in, and not seeing the kind of improvements that I would have wanted to see, so I would ask for a couple of pieces of information through our question-and-answer. I don't know that it's relevant for Thursday's discussion, as relevant for any future paradigm shifting action that we might take within Austin code. I have seen just in my time as a community member and on council, I've seen this department go from, I think six officers, four or six officers, I think at one point, you know, it was just an officer, north, south, east and west, to a very large enterprise

[2:54:45 PM]

fund with lots of officers. There were multiple years in a row where we put more resources in for short-term rentals, for after-hours enforcement. And so again, I don't want this to sound like a criticism of the current leadership, but we really have some areas that need -- that are opportunities for increased efficiency and effectiveness. And I need to have a really clear understanding of what our plan is for achieving that, before we assign additional duties to Austin code. So for starters, I would be interested in seeing a history of funding over, say, the last five to ten years. And also, with a number of officers. I thought in past budget cycles, one of the reasons we were increasing is to have the after-hours officers. Yet I know multiple times on getting constituents in my

[2:55:45 PM]

district sometimes, who are saying, you know, they're calling code and there is not after-hours enforcement after 5:00. By Monday morning, whatever event that people are calling about has stopped. So that's -- we just need -- I need to better understand how some of those past challenges are being attended to. We can save my conversation about the housing, and some of the opportunities that I see there on code, I'll have conversations with you. I'm interested in recommendations that you've all made and I'm interested in seeing them through to implementation. But as a note to my colleague, I'm going to support this on Thursday. But again, before I'm ready to vote for increased funding, for increased responsibilities, I'm going to be sounding a note of caution, that we make sure the current responsibilities are on

[2:56:45 PM]

a path to being better attended to. We've also gotten some other considerations, I haven't had an opportunity to fully evaluate from some community members. I'm not sure where the appropriate venue is for talking about them potentially.

>> Mayor Adler: Okay. Thank you. Colleagues, any other comments on this item? Councilmember Flannigan?

>> Flannigan: Thank you, mayor. And thanks to my co-sponsors on this item, Ellis, Casar and pool. I think councilmember alter, you were involved in this as well. We just missed you on the posting. So thank you for participating in this item, too. Yes, councilmember tovo, we're on the same page. That's why you kind of see this bifurcated into two pieces. One is making sure that the department is under its new leadership addressing the new concerns that we're hearing from our constituents. And taking it to the next step and trying to do this

[2:57:45 PM]

exploration in parallel. The public safety committee will be a place we can do some of this work in the future since the code department is under that purview as well. I'm really excited to dig into this, and Mr. Logan, I know you are also excited to get your department onto the side of good for the community. And there's just a lot of really good opportunity that I've learned, talking to officers, certainly when I meet with them frequently from my district about the relationship, the positive relationship that they have with the code department, and the opportunities they were able to brainstorm, just off the top of their head. There's really good work to be done there, and I'm excited to dig into it.

>> Mayor Adler: Okay. Thank you. Councilmember alter?

>> Alter: Thank you. I wanted to first note what councilmember Flannigan did, that we had a little vacation snafu and I was left off the posting. But I'm proud to be a co-sponsor

[2:58:45 PM]

on this. I wanted to note for councilmember tovo that the audit special request report is in response to some of those community concerns, and we will be getting that information back hopefully soon. Which is part of what we'll inform the process. And I just want to underscore there's really the two parts here. One is the improving the efficiency, and then the second part is the reimagining public safety and understanding what the possibilities are, and understanding to do that, we may need to change certain structures to make that be feasible, because we're already being challenged to account for what we can do at this stage in time. So I'm really looking forward to seeing the results, and some improvements, and appreciate Mr. Logan's leadership in the departmentment

>> Mayor Adler: Good. Everybody's on the same page. Anything else on this item before we move to the next one?

>> Tovo: Yeah.

[2:59:45 PM]

I don't want there to be any misunderstanding. I think I said this, but I'm going to underscore how much I appreciate your leadership, director Wright. You've been tremendously responsive and a lot of confidence in your ability to take this department in the right direction.

>> Thank you, thank you.

>> Mayor Adler: The next item is item number 60, then you have item number 66. Those are all the items that you have that are pulled. You have two items to consider in executive session and the boards and commissions need this forum at 5:30 so that's your outside parameter. I'm going to turn the chair over to the mayor pro tem and I'll try to make it back. Good luck.

>> Garza: Mayor, you're not pulling 76 or did you already talk about?

>> Mayor Adler: 76 was the calendar change and we talked about it a moment ago that I posted on the board. There's a workout that let's the other clerk be there by

[3:00:46 PM]

going to Monday, Wednesday in January as opposed to tuesday/thursday. That's the amendment I'll bring on Thursday.

>> Garza: Okay.

>> Mayor Adler: 60 and 66. See you later.

>> Garza: Councilmember harper-madison, you pulled 60?

>> Harper-madison: I just cut myself, but I'm trying to do some first aid. Can you go to the next item and I'll be ready for a minute. I've got to put on my band-aid.

>> Garza: Sure. 66, councilmember

[inaudible]?

>> Flannigan: We're all getting a lot of emails about this case and so I wanted to have an opportunity today just to

[3:01:46 PM]

kind of get a sense of where we are so that we don't have to do the whole thing on Thursday. When I look at this case, and Jerry I have a couple of questions for you so I'm glad you're here. We've had this type of case before us before where it's a larger lot currently zoned for sf-3 and -- zoned for sf-3 and we're contemplating sf-6 for subdivision which is in many ways the key difference between those two Zones. Jerry, is there a difference -- some of the things I've heard from the public is there is a difference in the environmental regulation in sf-3 and sf-6. Is there a difference in how the enforcement or the level of scrutiny between the two zoning classifications?

>> Councilmember Flannigan,

[3:02:48 PM]

I have I believe Mike McDougall from the development services department is on the line. He is an environmental reviewer and I believe can address this issue better than I can.

>> Hello, good afternoon. I am Mike with the environmental services department. That's a great question. Both review pathways achieve compliance with code and neither is either superior to the other. The differences are the actual process for the reviews. And the reason that is with the site plan we know exactly what is proposed to be built so we do a review based on exactly what's being proposed to be built on the ground. But with the single-family subdivision we look at the overall project and for that is with the single-family subdivision we know where the lot lines will be, we know where the roads will be, where the ponds will be, but we don't know where specifically the houses will be on the individual lots. That's not determined until the residential review stage.

[3:03:48 PM]

To so the code -- the criteria requirements are the same but the approach is slightly different. For single-family review we would look at assumed impervious cover, land development code says for certain size lots we must assume a certain size house on each lot. So we apply assumed impervious cover for single-family review and we make some is sure that each single-family lot is reasonably build annual. We wouldn't want a lot that is not buildable to put a house on. But the difference with the site plan review is we actually know what's going to be on the ground and we can definitely say this is what's being built and make comments in direct response to that. I like to point out that on both projects we look at erosion control the same, requirements are the same. We look at the grading requirements are the same, impervious cover limits. So multi-family or commercial impervious cover limits for watershed are different than single-family, but the calculations are still the same. It's just that we have the assumed impervious cover for single-family projects. But they're both subject to

[3:04:49 PM]

the exact same code requirements and neither is superior to the other. The subdivision is the overall compliance where subdivision is light lot by lot compliance.

>> And there are assumptions made when those rules are applied to sf-3 but when it's sf-6 it's more specific to what's being done. Is that what I heard you say?

>> I would have to consult with Jerry on that. For environmental review purposes if you have one redundant on a lot -- one unit on a lot that's considered single-family. If you have multiple units on a lot that's multi-family and then there's commercial. There's three categories of uses. We don't get into the details that zoning might get into. But among the three categories our review discipline is all the same and our application of code criteria and regulations are all the same.

>> Yes. I hear what you're saying. The rules-- you still have to comply with all the rules. There's a question of timing, when those rules apply is it at subdivision,

[3:05:50 PM]

is it at construction? And so maybe it's a six in one, half a dozen of the other situation. The other difference if I remember correctly is that in an sf-3 the streets become public streets but in an sf-6 they're private streets?

>> Councilmember, yes, that is correct. For a single-family subdivision there is a requirement that every street touch a private lot. Where in [indiscernible]

>> Flannigan: Right. We've got a lot of connectivity rules so sometimes that's good and sometimes that's bad, but it does seem like when there's not a connectivity question there's not some other street on the back side where you're trying to connect to that that -- this is the question. I am editorializing now.

That's not as much of a concern in terms of the public street. I had to clarify. Then on the impervious cover, the streets are counted in both or are they

[3:06:51 PM]

counted differently in sf-6 because they're private streets?

>> They are not. Anything proposed to be driven on, gravel, asphalt, concrete, if you drive on it's impervious cover. So for a single-family subdivision we would add all the streets together collectively for the entire subdivision and all the single impervious cover and single-family lots and all the lots would have comply. So the streets would indeed count as impervious cover like anything else. For the site plan process it's just one development on the lot and just the same, the private drive, the private parking, the drive drive aisles, driveways, that's impervious cover too. For the most part impervious cover is very binary. You drive on it or it's not.

>> Flannigan: There's not a difference counted at the subdivision plus assumed on single-family lots, or in the site plan is when as to when it's calculated?

[3:07:51 PM]

>> I'm sorry, I don't understand.

>> Flannigan: So when we're calculating how much impervious cover is going to be allowed or built, the streets are counted either way, it's just again the timing. It's either done at subdivision with the lots or at site plan.

>> That's correct.

>> And councilmember, if I could add the single-family street if it were subdivided would be built wider and to a different centered so you could actually do less impervious cover with the private drive.

>> Right, thank you, Jerry. That's the perfect segue into my comment/question for us as a council. We've had a few sf-6 cases and I generally am supportive of them because the flexibility that the site plan process allows and the specificity it can do and the safer streets that could possibly be built that are narrower. Receive seen evidence from many sides that the wider

[3:08:51 PM]

streets can be propertymatic and encourage faster driving and all that. There are other concerns I've heard from the public about the impact to neighboring properties, but this is a private lot right now. So

we're not talking about an option that says the city can purchase this or the city can determine beyond the rules of zoning and I think some folks in the public struggle with this kind of arcane zoning universe that is involved and become a Frankenstein monster over time. So my final question as we think about going into Thursday is if we're talking about a site that was going to have under sf-3 and I've seen different ways to calculate this, 15 to 20 duplexes could be allow under the current zoning depending on how you subdivide, versus which would be 20 to 30 to maybe 40 dwelling units because

[3:09:53 PM]

under sf-3 you can duplex. Or possibly single-family structures smaller, spread out in a different way because of the site plan, you maybe able to access affordability unlocked in a different way. There may be opportunity to do affordable housing a different way. That seems to be the choice in front of U but I'm hearing things from the public that I don't normally hear when the zoning case and details behind it seem so similar to cases we've seen before. So I intend to support it for the reasons that I said but I see there is a valid petition and I think there's a reason for them to relinquish the valid petition. How do we propose moving forward when needing so many votes?

>> Councilmember harper-madison?

>> Harper-madison: Thank you, sorry. The social services branch is blowing up over here. Let me turn the notifications up.

[3:10:54 PM]

This case has really been trying. During the second reading of this particular case, I don't know if you recall but we received a public comment where the caller was wondering where the originally proposed affordable component on this site went. And frankly it was a great question. First reading we had landed on 25 units and two of those were going to be offered at 80% mfi and I'm disheartened that the number of units caps it to the same number of units that would be allow under the site's current sf-3 zoning. And it reduced the number of units where it's not feasible for them to offer an income restricted unit and the market rate price point of these units will be higher than the original proposal. I really -- I guess more than anything I want to point out -- we're going to have more and more of these difficult zoning cases. I'm sorry, give me just a

[3:11:55 PM]

moment. I have to turn off these negotiations. I'm so -- these notifications. I'm so sorry. I'll mute myself for a moment. Six there anyone else who had any comments on this case?

>> Harper-Madison: Sorry, I'm back. I can't figure out how to turn off the notifications so y'all will have to hear the dinging. My apologies. So with this one, I was making reference to item number 60. This is item number 66. This is the camp one. And this one is tricky. There's a lot going on here. And I think we've tried our best to convey to the general public what some of the challenges are here, but I don't know that we were

[3:12:57 PM]

successful in really conveying it if for in Mo no other reason that much of it is duplicated. It's a little known fact that the legacy of single-family zoning is absolutely rooted in racism. In the early 1800s the deeds to home in a lot of neighborhood developments really contained racial covenants. They said who could purchase a home based on the color of their skin. Somebody in my office was talking about in Berkeley, California there was a developer who had a problem, what to do about neighborhoods that he didn't control. He was especially concerned about black owned, about a black owned dance hall that was looking to move into a neighborhood nearby. So he and the other developers, they got the city to do something that no other city ever had. They made it illegal to build anything other than a single-family home on a single lot in certain neighborhoods. And today we know it as the evolution of it, we know it

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as single-family zoning. So this trend began in Berkeley, but it spread like wildfire and that includes right here in Austin, Texas. Unlike the racial covenants there really wasn't anything explicitly racist about zoning, but what this did was different. It used economic segregation to divide neighborhoods in the city. Single-family neighborhoods were more expensive because buying a house on a large lot was more expensive than renting or an apartment. So this is about institutional racist policies, period. Wealth and race were inextricably linked. And there's not much difference today, frankly. We're talking about history, but we're also talking about present. I think decades of zoning for single-family homes in our metro area has led to an affordable housing shortage and when you couple that with segregation and sprawl and longer commutes and

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higher carbon emissions and less economic growth I think it is going down as one of the biggest movements for racial injustice in our history. It's still going strong. I think this is the time to reconcile for all the wrongs, all the things that are rooted in racism. I think Americans of all backgrounds are really engaged in new and frankly uncomfortable conversations about the role of systemic racism and we can't miss the opportunity to call it what it is in these kinds of situations. I often get asked how can I be an

effective anti-racist? How can I do my part? There's obviously a lot of answers to that question, but one answer should be to ditch that not in my backyard mentality. Embrace more dense missing middle housing types to accommodate more residents with less land, more affordable housing right in your neighborhood and not only will that help put an end to our segregated communities, but also help

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more connected, more vibrant places to live for more people in more parts of the city. And I can't emphasize that enough that the citywide part we really have to talk about that. I think a lot of the push back that we're getting and we're probably getting the same emails. Some have been customized for me which I appreciate. I appreciate when people take the time to customize the letter, not that I don't appreciate the formulary everyone copies and paste, but when you tell me specifically what your concerns are, not what somebody told you to say, then it's easier for me to address their concerns and. And some of their concerns, you know, really have to do with feeling sort of isolated in bearing the brunt of the load. Like no one area should have to carry the weight of development pressure brought on by the fact that our city is growing. It exacerbates gentrification, drives up housing costs. There's enough room for everybody in this town.

[3:17:05 PM]

I will be supporting this item. I think a partnership with habitat for humanity this proposal is aiming to bring 17 units between 60 and 80% mfi. That's the best we can do here. And I feel like if we fight to get the best, if we fight to access affordability unlocked along with having a partner like habitat for humanity we take into consideration the cost of financing, construction. If we got to the deepest level of affordability in this -- with this case, I feel like it's complicated, it's complex. It's not necessarily ideal for the community, but it's the best we can do under the circumstances and I want people to not disregard the alternative. The alternative to what's happening would, you know,

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frankly be very few really expensive properties and that doesn't house a lot of people. It certainly doesn't house anybody affordably. And I think lastly the thing -- Jimmy, I appreciate what you brought up about that -- I'll tell you offline. The thing that I really want to focus on here is like all our families are different and affordability is relative and the truth. Matter is my family should be able to live in the city of Austin too. We're not extremely poor, but we're certainly not wealthy and nowhere near upper middle. We're right smack dab in the middle. And I think there are a lot of families that are getting left out of the conversation when we talk about affordability. So my hope is moving forward we get

opportunity to really expand on the idea of what's affordable and for whom because that's an important part of the conversation as well. That was about it. Thank you.

[3:19:10 PM]

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>> Garza: For clarification, when you said the market rate housing ended up being higher now than before it was, you were talking about a different item, right? Were you talking about 66? That's not 60.

>> Harper-madison: Right. I started at 60 a and -- because my item was 60. 66 was what councilmember Flannigan brought out. Correct?

>> Garza: Okay. I was going to ask staff about, if they could go over the affordable units, but I think those may be questions that I just saw which are's and councilmember Renteria's hands go up, so I'll just first recognize councilmember Renteria.

>> Renteria: Thank you, mayor pro tem. This is what was a very hard one and when it came before me and I asked what kind of affordability they was going to offer I didn't like it and I said there was no way that you're going to get passed through the council with a valid petition. And they went back and is it studied it and found out

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that they could do -- offer up to 17 units at affordable, real affordable housing ownership. And that's what excited me. And also the offer to -- the offer for the right to return to your neighborhood. You know, I bought my first house there in montopolis. And it was an affordable housing. And it gave me an opportunity to discover home ownership and really got me out of the -- out of my living conditions that I was living before then in a two bedroom house with nine of us living in there. So, you know, it's -- it was a great opportunity. And I really feel like if we offer -- if we turn down this deal and they build

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single-family, I see some of the housing being built there on that same street and they're two stories houses and I'm sure by the time they buy the land and sell the house it's going to be anywhere between four hundred and five hundred thousand dollar homes. If not more depending on your view. And then we don't have any kind of affordable housing for our families, our teachers, our firefighters that want to be able to live and be able to afford a house on the wages they're making right now. It's a great opportunity. If we do not pass this, then I'm just going to see a lot of are single-family housing and

they're not going to be in breach of the lower middle class people. They're not. Even the middle class. I see that happen in here, in my neighborhood in Cesar

[3:22:14 PM]

Chavez. Half a lot with a house on it going for \$700,000. I bought my house, I had two houses on the lot. And that's why I support these denser units. Less than 100 yards away from me, Rebecca Bain is being in there. And we got close to 800 new units that are going to be built there. And they're already leasing some of it. You know, it's just a great opportunity. I saw what it did to Mueller, you know, when we -- there's over 25% of those houses that are affordable for -- they're affordable housing. And people cannot tell. They always say all the rich people live at Mueller. It's not true. But we want to make sure that we provide an opportunity for everyone to be able -- to be able to live in a safe house.

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And this is such a great opportunity for -- to be able to have the possibility of 17 families, low income families being able to buy their own home. So I'm going to support it. I know it has a valid petition, but I really do believe that we're missing out on a great opportunity if we don't support this.

>> Garza: Councilmember Cesar?

>> Cesar: Yeah, I'm happy to share -- I've seen the restrict and heard what has been discussed and so happy to talk a little bit about that because it sounded like, mayor pro tem, you wanted to talk some about that and als I had a follow-up to what councilmember Flannigan said about the environmental review. So first to the point about income restricted housing and some of the messages that I've gotten just like you've gotten from constituents, there have

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been a significant number of people that when I've emailed them back and let them know that the proposal has changed from an almost entirely all market rate proposal to what councilmember Renteria described where the builders came back with a partnership for da habitat saying that a majority of the housing needs to be for lower income homeowners. I think a lot of people that have emailed in, at least that I've gotten -- sent an email back to have -- there's been news to them so I think it is important for people in the community to know that this is a project where the community of the homes will be habitat for humanity homes with a minority then being the market rate homes. We've gotten questions about what 60 to 80% mfi means. I think as councilmember Renteria laid out, it is housing for a teacher, but a teacher that is a single parent because if it's two aid teachers and their kids, they probably make too much and the housing is too

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cheap for them to make it. So this is -- overwhelmingly our home ownership programs don't get to the lowest income renters, but it is for that single parent who is a teacher or for people that are each in a working class job at -- whose combined incomes might be \$60,000 a year. So that is housing that we need in community. I also have heard from folks that there are a lot of really low income renters at Montopolis, which is true, and we do need more income restricted really deep affordability rental housing. As a matter of fact, on this site back in 2019 it was proposed originally to be a much lower income rental property. There was some opposition to that and I think that project never came to fruition, never came to us and I think -- I would have supported that project. I don't think -- I wouldn't support, as councilmember Renteria said, the all market rate project, but I would have supported that

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deep affordability rental project now that we have an affordable home ownership project I think it's one that we can support here as well. I think the two bedrooms, depending on a family's income, because they adjust the price based on what you can pay, two bedroom might be 140 to 180 something how dollars, which of course is way cheaper than the now houses being built here now. My subdivision question for staff is my understanding is that for this new proposal with the affordable units that they would have to go through subdivision and site planning. So did that mean that they would then have the environmental checks with the assumptions on the front end with the subdivision and then the specifics on site planning, is that right?

>> Councilmember, this is Jerry rusthoven. If they were to plan it for a condo development they would plan it as a single lot subdivision and they would follow it up with a site plan for the condominium regime.

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So the subdivision review for the single lot subdivision is rather easier, but it would be caught up with the site plan reading.

>> Casar: But then you have the more accurate one with the site plan without the assumptions.

>> That is correct.

>> Casar: So ultimately I think you're actually able to look at exactly where the houses are going to be so you have the more accurate review you can get on site plan.

>> Yeah, you're not making any assumptions about sizeability. You should have the actual square footage.

>> Casar: That makes sense to me and then you have more specifics about exactly where the house is going to be as you look at erosion and other environmental rules. Thank you.

>> Are there any other

[indiscernible]? Now it is sf-3 and you could build up to is it two units?

[3:28:17 PM]

What could be built there if the zoning doesn't change?

>> Could be, without subdividing -- councilmember, without guiding you could build two units, a duplex. You could subdivide it into multiple lots and build two units per lot. You would have to meet the minimum lot size requirements and provide public access to every street lot. But the assumption is they could probably get nearly the same number that they could get with the condominium regime if you presumed a duplex on every lot.

>> So if this doesn't pass they could essentially get the same number of units and there would be no affordability, is that correct?

>> We have not actually -- actually, the staff has not laid out the plan for the single-family subdivision. We have been told by the applicant that they believe he will they could get nearly the same number and yes, there would be no requirement for affordability. I would like to clarify, though, that under state law we cannot require affordability as a condition of the zoning approval, but

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the applicant my understanding has been approved for participation in the affordability unlocked program and is partnering up with habitat for humanity.

>> Garza: Thank you. If there are no more questions or comments, I'll move on to item 60, back to item 60. Councilmember Casar?

>> Last point, mayor pro tem. There has been some question from the neighbors in the back about some of the development getting too close to the preserve. My understanding is there's probably some level of agreement with keeping homes further away from that and so if we need to vote that in to get to the nine votes it would be [indiscernible].

>> Garza: Thank you for adding that. Councilmember harper-madison?

>> Yes, ma'am. Like I was saying earlier, the second reading of this

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case we had received a comment about affordability on this site. And where it went. And like I said, I thought it was a great question.

>> Casar: Are we on the next item? Are we on the next item?

>> Harper-madison: Yes.

>> Garza: Okay. We're on item 60.

>> Harper-madison: Did we need to go back to 66? Is that what you were asking?

>> Garza: No, I think he was --

>> Casar: I was asking if we went on from that item. I was guesting confused as well.

>> Harper-madison: Yeah, so I was saying that the 25 units with two of those being offered at 80% mfi that's gone. We're limiting the number of units and now the affordability is entirely gone. And so this is one of those ones where I was disheartened at the outcome. I'm glad that the neighborhood and the

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developers were able to come to an agreement, but the fact that we got back to the point where the number of units, you know, is back to the point where there's just-- it's not feasible for them to offer any income restricted units and the market rate price point of these units will be higher than the original proposed. So much lightning the last one, this is a very complicated case and my office has poured countless hours into this as well as the other. I want to make sure that we consider our priorities around housing. If it's to provide housing opportunities for existing residents that they can afford, frankly limiting housing isn't going to get us there. If it's to prevent change in our city, limited housing isn't going to get us there. We can't limit housing. We create this seller's market where that limited supply goes to the highest bidder. I think often times when

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people are advocating for their neighborhood they're not recognizing that sometimes you are inadvertently putting yourself in a situation where the outcome, the yield is not what you wanted at all. It's more extensive and the people who can afford it are the ones who move in. Not young families, not working class residents, not creatives, not communities of color. They all have to move to the suburbs. And all that said I know the neighborhood and applicant have worked very hard to come tune

agreement, very hard. This has been a long, long process. I'm prepared to vote to approve this on the third reading with the conditions agreed upon by the neighborhood, but this is a hard one for me because I think it's a perfect example of when what people are attempting to advocate for isn't at all what they got at the end of the day. So my hope is that we all move forward with future conversations around development with the goal of creating more housing and more in the way of

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accessibility and affordability for more income levels, more types of families in all parts of the city. I'm going to sound like a broken record, but we need it so badly and we just can't keep finding ourselves in a position where we get nothing out of the deal. That's unfortunate.

>> Garza: Are there any other -- those are all the items, mayor. It's just the executive session. Do you want me to read the script or you've got it?

>> Mayor Adler: I've got it. Thank you. All right, guys. City council is now going to go into closed session to take up three items pursuant to 551.089 of the government code we're going to discuss information security related to item e2, confidential and network security information. Pursuant to 551.071 of the government code the city council is going to discuss legal matters related to item e3, expansion of the

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convention center and also item 80. E1 has been withdrawn. If there's no objection we'll now go into executive session.

(In Executive Session)

[5:13:15 PM]

<<Mayor Adler: Ok. We are out of closed session. In closed session we discussed information security matters related to item: E2 and legal matters related to items: E3 and number 80.

With that it is 5:13 p.m. here on October 13, 2020 and this work session of the City Council is adjourned. Staff thanks alot for coming back. Thanks for the day.