

Memorandum

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CITY OF DALLAS

DATE 28 September 2010

CITY SECRETARY
DALLAS, TEXAS

TO Members of the City Council Legislative Ad Hoc Committee: Jerry Allen; Dwaine Caraway; Linda Koop; Pauline Medrano; Ron Natinsky; Dave Neumann; Steve Salazar

SUBJECT **Legislative Ad Hoc Committee Meeting**
Tuesday, October 5, 2010
12:00 p.m. – 1:30 p.m.
Dallas City Hall
1500 Marilla, Room 6ES

AGENDA

1. Approval of the August 24, 2010 Committee Meeting Record

2. Discussion of the City's Legislative Program
for the 82nd Session of the Texas Legislature

Larry Casto
Assistant City Attorney

3. State and Federal Lobbyists Contract Renewals

Larry Casto
Assistant City Attorney

Brett Wilkinson
Managing Director
Office of Intergovernmental Services

Vonciel Jones Hill, Chair
Legislative Ad Hoc Committee
Councilmember
District 5

C: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Deborah A. Watkins, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig D. Kinton, City Auditor
C. Victor Lander, Administrative Judge
Frank Libro, Public Information Office
Helena Stevens-Thompson, Assistant to the City Manager

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

- 1 Contemplated or pending litigation, or matters where legal advise is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
- 2 The purchase, exchange lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
- 3 A contract for a prospective gift or donation to the City, if the deliberation is an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
- 4 Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
- 5 The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
- 6 Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

Legislative Ad Hoc Committee Meeting Record

The Legislative Ad Hoc Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Intergovernmental Services Legislative Staff Coordinator at 214-670-5047.

Meeting Date: Tuesday, August 24, 2010

Meeting Convened 2:13 p.m.

Committee Members Present:

Vonciel Jones Hill, Chair
Jerry Allen
Linda Koop
Pauline Medrano
David A. Neumann
Ron Natinsky
Steve Salazar

Staff Present:

Larry Casto
Brett Wilkinson
Anna Lamberti Holmes
Daisy Torres
Brandon Freeman
Yasmin Barnes Tolliver
Janis Burkland
Barbara Martinez
Nicole Waldman
Rosa Rios
Deborah Watkins
Edward Scott
Gary Tittle
Tracy Curts
Karl Studins

AGENDA:

Councilmember Vonciel Jones Hill opened the meeting at 2:13 p.m.

1. **Approval of the October 6, 2009 Committee Meeting Record**

Presenter(s): N/A

Action Taken/ Committee Recommendation(s): Item Approved

2. **Development of the City's Legislative Program for the 82nd Session of the Texas Legislature**

Presenter(s): Larry Casto, Assistant City Attorney

Councilmember Vonciel Jones Hill opened the discussion on this item.

Action Taken/ Committee Recommendation(s): Item Approved

3. **Federal Legislative Update**

Presenter(s): Ralph Garboushian, Washington Consultant, CapitalEdge

Councilmember Vonciel Jones Hill opened the discussion on this item.

Informational Only: YES

Councilmember Vonciel Jones Hill adjourned the meeting at 3:32 p.m.

Memorandum



CITY OF DALLAS

DATE October 1, 2010

TO Members of the City Council Legislative Ad Hoc Committee: Vonciel Jones Hill, Chair; Jerry Allen; Dwaine Caraway; Linda Koop; Pauline Medrano; Ron Natinsky; Dave Neumann; Steve Salazar

SUBJECT Discussion of the City's Legislative Program for the 82nd Session of the Texas Legislature

On Tuesday, October 5, 2010, Assistant City Attorney Larry Casto will brief you on the proposed state legislative program for the 82nd Session of the Texas Legislature. Attached are the briefing materials for your review prior to Tuesday's discussion.

Please contact me if you have any questions.



Mary K. Suhm
City Manager

82ND SESSION OF THE TEXAS LEGISLATURE
DALLAS CITY COUNCIL LEGISLATIVE INITIATIVES

PRIORITY INITIATIVES

The Sunset Review Process during the 82nd Legislative Session will cover twenty-eight state agencies, including the Public Utility Commission, the Electric Reliability Council of Texas, the Texas Commission on Environmental Quality, the Texas Water Development Board and the Railroad Commission. Many of the City's priorities will be contained within the continuing legislation for one of these regulatory agencies. Therefore, the City's overall priority will be defending against efforts that will attempt to undo legislative successes of the City from past sessions that improved the City's ability to provide services to our residents effectively and cost-efficiently.

Municipal Control to Develop and Implement Local Budgets

The City will need to focus much of its effort on defending against attacks against local control and cities' ability to establish their own budgets and meet their revenue requirements in order to ensure a safe and secure community, provide basic services and maintain a sound infrastructure system. It is anticipated that several bills will be filed that in some manner will impose restraints on local control over the budget-setting process.

Public Utility Commission

Highest priority in this bill will be protecting the City's ability to collect over \$100 million in rental payments from utility companies who install various infrastructure in publicly-owned property.

Texas Commission on Environmental Quality (TCEQ)

Waste water permits, junior and senior water rights designation, environmental flows, increased and additional fees to be assessed and collected by cities and remitted to the state, clean air regulations, and unfunded mandates will all be among the proposals considered along with continuation of the TCEQ.

Texas Water Development Board

Groundwater district authority and regulation, long-term water supply, and improvements and financing of water-delivery infrastructure will be the focus of this agency's review.

82ND SESSION OF THE TEXAS LEGISLATURE
DALLAS CITY COUNCIL LEGISLATIVE INITIATIVES

SUPPORT INITIATIVES

Public Safety

Pass legislation that establishes theft of an Automated Teller Machine (ATM) as a second degree felony.

Amend Article 13.08 of the Texas Code of Criminal Procedure to facilitate prosecution of theft cases in which stolen property is taken in one county and transported into other counties.

Amend Section 38.04 of the Penal Code related to evading arrest or detention to establish the penalty of a State Jail Felony when a suspect flees into a building; and establish a Third Degree Felony when a suspect flees into a residence, both without effective consent of the owner.

Amend 543.005 of the Texas Traffic Code as it relates to Promise to Appear and 38.02 of the Texas Penal Code as it relates to Failure to Identify to require suspects to provide a thumbprint when they fail to present a valid form of state-issued identification.

Amend Chapter 243 of the Local Government Code, regarding the posting of intent to establish a Sexually Oriented Business (SOB), to include all proposed sites of SOB's, not just those sites that have not been previously licensed as such.

Amend the Code of Criminal Procedure regarding the juvenile case management fund to:

- Allow juvenile case managers to be employed by the municipality, but not specify that they be employed by the municipal court;
- Allow the fund to be used for costs directly related to having these case managers, in addition to salary and benefits;
- Allow the counselors to work on cases that aren't directly truancy cases as long as truancy prevention is part of the counselor's remedy for the juvenile.

Amend the Texas Alcoholic Beverage Code to address preemption of municipal regulation of alcohol so that Council may take action to prevent concentrations of alcohol-related businesses.

Amend Chapter 1956 of the Texas Occupations Code as it relates to the regulation of Metal Recycling Entities. The proposed changes will include the following:

- If a person or business represents themselves as eligible to buy regulated metal as defined in the statute without the applicable local permit/license and is not in possession of a valid state certificate of registration it shall be a criminal offense with a penalty of a state jail felony.
- Require a digital photo of the seller to be taken at the time of transaction and maintained by the purchasing entity.
- Require a digital photo of the vehicle and license plate of the vehicle used to transport the property for sale. The photograph shall be maintained by the purchasing entity.
- Classify catalytic converters as regulated material.

82ND SESSION OF THE TEXAS LEGISLATURE
DALLAS CITY COUNCIL LEGISLATIVE INITIATIVES

SUPPORT INITIATIVES

Economic Vibrancy

Support efforts to provide enhanced funding for transportation improvements.

Allow for the use of Comprehensive Development Agreements as an available tool to be used in the construction and financing of major roadway projects.

Support a Constitutional Amendment that expands the authority granted in the Local Government Code Chapter 380 to allow municipalities to take equity interest, capped at their investment, in economic development projects developed pursuant to Chapter 380 including:

1. Language that expressly authorizes profit participations/equity participations IF the principal is not at risk and the city won't bear any portion of the losses
2. Amending 380 to allow for in-kind grants on a non-TIF development project, thus avoiding having to grant cash and go through public bid process
3. Eliminating notice and bid requirements for land swaps.

Amend the TIF statute in Section 311.010(g) Local Government Code to conform to the language in the rest of the section regarding applicability of Chapter 252.

Clean, Healthy Environment

Maintain TDHCA funding for homeless services in largest cities.

Amend HB 216 Boarding Housing legislation by Menendez to address concerns regarding municipal enforcement of the registration standards.

Support TCEQ Air Quality Monitoring Funding.

Pass legislation that facilitates the recycling of electronic waste and plastic bottles. (HB 821 was vetoed last session).

Pass legislation that designates North Texas Clean Air Steering Committee (NTCASC) as a "State Implementation Plan (SIP) Committee" that plays an active role in collaboration with the Texas Commission on Environmental Quality on the development and implementation of the Dallas-Fort Worth SIP.

Pass legislation that provides incentives for the installation of electric vehicle charging stations as well as the purchase of electric vehicles in the State of Texas.

Pass legislation that prohibits Home Owner Associations (HOA's) from prohibiting installation of solar panels on residential homes.

82ND SESSION OF THE TEXAS LEGISLATURE
DALLAS CITY COUNCIL LEGISLATIVE INITIATIVES

SUPPORT INITIATIVES

Pass legislation that changes the time frame during which the Locally Enforced Motor Vehicle Idling Rule is effective from ozone season (April-October) to year round.

Pass legislation which would create a statutory procedure for obtaining pre-condemnation access to private property for necessary investigations, including phase II investigations, when a city is considering acquisition of that property.

E³ Government

Amend current law that requires a written request from an employee to participate in any electronic funds transfer system established and operated by the municipality to allow all employees to automatically participate in the use of Direct Deposit or Cash Cards.

Amend the Texas Government Code, Title 5, Open Government; Ethics, Chapter 551, Open Meetings, Subchapter A. General Provisions, Section 551.050. Municipal Governmental Body: Place of Posting Notice to provide more uniformity across the state for all cities that have the ability to provide the convenience of a computer terminal at a place convenient to the public to access all municipality public notices.

Amend the Texas Election Code, Title 17, Local Option Elections, Chapter 501, Local Option Elections on Sale of Alcoholic Beverages, Subchapter B. Manner of Calling Election, Section 501.032 (1) (3). Requirement to Order Election to allow municipalities to use the most recent mayoral election results in determining the number of signatures on a petition required to call an election and to establish uniformity among Election Law requirements regarding the number of signatures required to be verified based upon the last mayoral election.

Amend Section 501.031 of the Texas Election Code regarding the Verification of Petition. Allow the municipality to verify petition through a sampling process rather than having to verify every signature as now required for a local option alcohol petition UNLESS "a written request [is] received not later than five (5) days after the date the petition is filed with the municipality."

Amend Section 501.032(a) of the Texas Election Code by inserting "(a) The commissioners court or city council, at its next regular session or meeting on or after the 30th day after the date the petition is filed..."

Educational Enhancements

Support continued development of the UNT Law School in Dallas and legislation establishing the first pharmacy school to be located in downtown Dallas.

82ND SESSION OF THE TEXAS LEGISLATURE
DALLAS CITY COUNCIL LEGISLATIVE INITIATIVES

SUPPORT INITIATIVES

Support North Central Texas Universities in their efforts to attain Tier I Research status through continuation of the state funded incentive program.

Culture, Arts & Recreation

Continue to encourage production of films, commercials and TV shows by maintaining the availability of incentives throughout the State of Texas.

Ensure the State's special event funds allow for both sporting and non-sporting events that significantly impact the local economy.

Memorandum



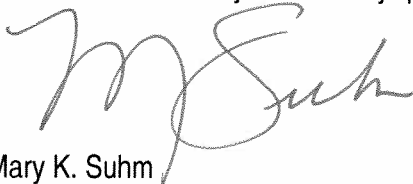
DATE October 1, 2010

TO Members of the City Council Legislative Ad Hoc Committee: Vonciel Jones Hill, Chair; Jerry Allen; Dwaine Caraway; Linda Koop; Pauline Medrano; Ron Natinsky; David A. Neumann; Steve Salazar

SUBJECT State and Federal Lobbyists – Contract Renewals

On Tuesday, October 5, 2010, Larry Casto, Assistant City Attorney and Brett Wilkinson, Managing Director of Intergovernmental Services will brief you on the proposed contract renewals for the City's state and federal lobbyists. Attached are the briefing materials for you to review prior to Tuesday's discussion.

Please contact me if you have any questions.



Mary K. Suhm
City Manager



BRIEFING TO THE LEGISLATIVE AD HOC COMMITTEE

STATE AND FEDERAL LOBBYISTS CONTRACT RENEWALS

October 5, 2010



PURPOSE OF BRIEFING

- To review the current City of Dallas legislative support process.
- To review successes and recommend renewal of contracts for legislative services with:
 - CapitalEdge Strategies (Barbara McCall)
 - Alcalde and Fay (Hector Alcalde and Paul Schlesinger)
 - Hillco Partners
 - Randy Cain
 - Kwame Walker
 - Jesse Romero

BACKGROUND

- The City of Dallas federal/state intergovernmental program is designed to:
 1. Enhance the City's ability to influence legislative issues that impact local government;
 2. Support passage of the City's federal and state legislative programs;
 3. Maximize federal support/resources for programs and special projects unique to Dallas;
 4. Increase the City's influence/presence with various organizations such as the National League of Cities (NLC), the U.S. Conference of Mayors (USCM), the Texas Municipal League (TML), the International City/County Management Association (ICMA) and others; and
 5. Link City and federal/state governments by fully utilizing the City's most effective lobbyists – the Mayor and City Council.

- In order to achieve the City's legislative goals, many parties are involved in the legislative process including the Mayor and City Council, the City Manager, an Assistant City Attorney, City staff, and six lobbyists (two federal/four state).

MAYOR AND CITY COUNCIL (State and Federal)

- Provide direction and policy formulation;
- Meet with legislators/other parties when necessary; and
- Participate in NLC, TML, USCM and other groups.

CITY MANAGER (State and Federal)

Background:

In 1996, an Assistant City Manager position was created as part of the City Manager's re-engineering. One of the primary responsibilities of this position was to oversee intergovernmental relations. In 1998, this responsibility was moved to the First Assistant City Manager. In 2004, the responsibility was moved to the City Manager.

Activities:

- Develops relationships and partnerships with federal, state and local government agencies/officials;
- Serves as a liaison with federal, state and local government, foundations, and various state and national groups (NLC, TML, USCM and ICMA);
- Provides management/legislative coordination for the City on state and federal issues;
- Identifies sources of grants, monitors application submissions and obtains grant awards;
- Advances miscellaneous special projects and programs; and
- In conjunction with the City Attorney's Office:
 - Implements and monitors the City's legislative program;
 - Acts as federal legislative lead; and
 - Provides state legislative back-up.

ASSISTANT CITY ATTORNEY (State and Federal)

Background:

Since the early 1980's, the City Attorney's Office has served in a lobbying capacity for the City of Dallas.

Activities:

- Develops and implements the City's legislative program;
- Advances miscellaneous special projects/programs;
- Forms coalitions on legislative matters with state and national groups (NLC, TML, USCM and other cities); and
- In conjunction with the City Manager's Office:
 - Implements and monitors the City's legislative program;
 - Acts as state legislative lead; and
 - Provides federal legislative back-up.

CITY STAFF (State and Federal)

Background:

In 1994, the Office of Intergovernmental Services (IGS) was created as a new function in the City of Dallas organization with the primary responsibility of developing relationships and partnerships at all levels of government and with other agencies.

Activities:

- Oversees federal legislative initiatives;
- Works closely with the City's lobbyists to monitor Congressional activities that affect the City;
- Assists in the development of the City's federal and state legislative programs;
- Identifies potential City programs/projects for funding, which includes determining city council and city management priorities, and seeks out all potential funding sources;
- Monitors the Texas State Legislature and works closely with the Assistant City Attorney assigned to State legislative activities;
- Develops relationships and partnerships with federal, state and local government agencies/officials; and
- Serves as a liaison with federal, state and local government, foundations, and various state and national groups (NLC, TML, and USCM).

CapitalEdge Strategies (Barbara McCall- Federal)

Background:

The City began contracting with CapitalEdge Strategies in 1988 to protect Dallas' interests on all pending federal legislative and executive actions. CapitalEdge Strategies also represents the Texas Cities Legislative Coalition, which is currently comprised of the Cities of Dallas, Austin, Arlington, and Denton.

Activities:

- Monitors federal legislation impacting Dallas and works with the Texas Congressional Delegation and the Executive Branch to advance interests and priorities of the City;
- Works closely with national municipal organizations, e.g., NLC, TML, USCM, and ICMA, to ensure awareness of the City's positions and agendas;
- Briefs City of Dallas Council Members at annual meetings of NLC, and at any other time requested by the City. Visits Dallas at least once annually; and
- Works closely with City officials and staff to develop legislative and grant strategies.

ALCALDE AND FAY (Federal) Paul Schlesinger and Hector Alcalde

Background:

When the City of Dallas initiated a multi-year plan for the Trinity River, it was recognized that many of the federal legislative initiatives associated with the project would require specialized lobbying services. To successfully achieve these legislative initiatives, the City contracted with Paul Schlesinger and Hector Alcalde of Alcalde & Fay, a government and public affairs lobbying firm based in Arlington, VA. This firm possesses extensive knowledge, background and contacts in the fields of transportation and infrastructure and Army Corps of Engineers water projects. To date, the firm has helped secure over \$212 million for the Trinity River Corridor Project.

Activities:

- Provide the City with advice, assistance and advocacy services to achieve the following objectives in connection with the Trinity River Corridor Project:
 - Funding for flood control in annual Energy and Water Appropriations bills;
 - Funding for Trinity River transportation components, when necessary, through annual Transportation Appropriations bills and transportation reauthorization legislation;
 - Enactment of necessary provisions in biennial Water Resources Development Act legislation to advance the project;
 - Assistance with other components of the Trinity Project as directed by the City Manager.

RANDY CAIN (State)
KWAME WALKER (State)
JESSE ROMERO (State)

Background:

In 1995, the City added contract lobbying assistance for state legislative activities. Three individuals currently provide this service as directed by the Assistant City Attorney.

Activities:

- Conduct necessary research, information gathering, and other supporting activities through maximizing the use of legislative contacts;
- Review, analyze and monitor interim committee activities as requested by the City Attorney;
- Study and recommend legislative initiatives for the upcoming State Legislative Session; and
- Draft legislation as directed by the City Attorney.

HILLCO PARTNERS (State)

Background:

The City of Dallas identified a need for services related specifically to Dallas water rights and issues. Hillco Partners, a well respected firm with specific water knowledge in the agency and legislative arena, was selected to provide legislative services in regards to Dallas water rights and issues during the 80th and 81st sessions. During the interim session, Hillco Partners assisted City staff in preparing the City's Legislative Program for the 82nd Texas Legislature, and the firm will assist the City in implementation of these recommendations during the session. They have offices in both Austin and Washington, D.C.

Activities:

- At the direction of the Assistant City Attorney and/or the City Manager, represent the City in dealings with elected and appointed officials, legislative staff, and interested stakeholders at the state level on matters identified by the City that relate to various aspects of providing municipal water and wastewater service with a particular emphasis on protecting water sources, revenue streams, permitting authority and home rule authority.
- Provide analysis and tracking of government actions and decisions which could have an effect on the governmental affairs strategy as it pertains to municipal water and wastewater services.
- Advise the City on legislative actions contemplated and taken with respect to identified issues and goals. Assist in the development of a strategy to accomplish the City's government affairs goals and objectives relating to municipal water and wastewater services.
- Assist in developing both a short-term and long-term legislative agenda with regards to water policy issues that impact municipal water and wastewater services.

Fiscal Year 2010-11 State and Federal Lobbyists Contract Renewals

	<u>Amount</u>
CapitalEdge Strategies	\$160,000
Hector Alcalde	\$73,800
Paul Schlesinger	\$43,650
Randy Cain	\$75,000
HillCo Partners	\$75,000
Kwame Walker	\$45,000
Jesse Romero	\$15,000
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Total	Not to exceed \$487,450

RECOMMENDATION

- Recommend renewal of contracts with the City's current lobbyists on the October 13, 2010 City Council Agenda.

APPENDIX

STATE AND FEDERAL LOBBYISTS RECENT SUCCESSES

CAPITALEGE STRATEGIES

Recent Successes

Although the current economic situation has created serious challenges for Dallas, the City has achieved some important successes in its federal relations efforts during the past year. Highlights include:

FY 2010 Appropriations

In FY 2010 the delegation secured the following funding in appropriations legislation:

- \$12.594 million for Dallas Floodway Extension
- \$1.345 million for Dallas Floodway (New Start) Investigations
- \$1 million for Margaret McDermott Bridge

Congress increased funding for core City programs such as Community Development Block Grants (CDBG), HOME, local law enforcement assistance and Urban Area Security Initiative (UASI).

FY 2011 Appropriations

The following earmarked appropriations are pending in FY 2011 appropriations bills:

- \$2 million for Dallas Floodway Extension and \$2.3 million for Dallas Floodway in the House Energy and Water appropriations bill
- \$20.5 million for Dallas Floodway Extension and \$2.3 million for Dallas Floodway in Senate Energy and Water appropriations bill.

Congress will complete consideration of FY 2011 the appropriations bills in the coming months.

- Core City programs such as Community Development Block Grants (CDBG), HOME, local law enforcement assistance and Urban Area Security Initiative (UASI) are likely to be funded at last year's levels.

Love Field

The Federal Aviation Administration approved the City's request for \$56.3 million from the Airport Improvement Program over the next eight years for improvements at Love Field. The approval means that the City can plan on these federal contributions.

Streetcars

The Department of Transportation awarded \$23 million to the City for the development of a streetcar line from the downtown to Oak Cliff from the first round of the TIGER program and \$4.9 million for McKinney Ave Streetcar Olive/St. Paul loop from the Urban Circulator Program.

Trinity River Corridor Project

The pending House Water Resources Development Act (HR 5892) would increase the authorization for the Trinity River project to \$822 million based on latest engineering estimates of the project's cost.

The FEMA Flood Insurance Reauthorization bill (HR 5114) has passed the House and includes a 5-year transition period for mandated flood insurance coverage for property owners in newly designated flood hazard areas.

The Supplemental Appropriations Act (PL 111-212) exempts the Dallas Trinity levees from designation as historic property.

Prisoner Re-Entry Programs

The City received a \$750,000 grant from the US Department of Justice Second Chance Program to support Safer Dallas Better Dallas efforts with previously incarcerated individuals returning to the area.

Employee Health Benefits

The City received admission into the Department of Health & Human Services Early Retiree Reinsurance Program which is estimated to reimburse the City \$4.5 million for health insurance claims by early retirees this year.

Collective Bargaining

House-passed legislation to mandate collective bargaining for local government public safety employees has been stopped in the Senate. Federally-mandated collective bargaining would overturn the City's meet and confer process and could potentially have a significant impact on City finances.

Hotel Occupancy Taxes

Efforts by the Internet travel companies to pre-empt the authority of local governments to collect Hotel Occupancy taxes on the full retail price of rooms purchased over the internet has been stopped in the Senate. The City receives \$34 million from hotel occupancy taxes. It is estimated that a significant percentage of rooms are booked through online travel companies.

ALCALDE & FAY

Recent Successes

With many of the issues of the 111th Congress still to be resolved, and Congress wrapping up its work until it returns for a lame-duck session, the City's accomplishments with regard to the Trinity River Corridor won't likely be known until the end of that session, with final determinations quite possibly spilling over to when a new Congress is installed in January.

With the authorizations for the nation's highway, transit, and highway safety programs having expired at the end of FY '09 (September 30, 2009), and those programs continuing on a series of temporary extensions, it was hoped that Congress would pass a new, multi-year reauthorization for them this year, affording the City the opportunity to seek funding for the I-30 Margaret McDermott Bridge (\$89 million) and the SM Wright Freeway (\$40.3 million).

It was also hoped that Congress would enact a Water Resources Development Act (WRDA), authorizing projects and programs for the Army Corps of Engineers. Such legislation could provide a vehicle for increasing the authorization for the Dallas Floodway and make other modifications to the 2007 authorization.

Of course, it was hoped, as well, that the annual appropriations process could be utilized to secure additional funding for both the Dallas Floodway and the Dallas Floodway Extension (DFE).

With regard to the major transportation reauthorization, the House Subcommittee on Highways and Transit reported legislation in 2009 reauthorizing the nation's surface transportation programs. As previously reported, this bill did not contain any project-specific funding (earmarks) or even specify authorization levels for the national programs. Chairman Oberstar (D-MN) and the Committee leadership have indicated their belief that the national programs need to be significantly increased. The highway trust fund, as it is presently constituted, does not support existing funding levels, let alone significant increases. So, the Committee will have a difficult time reporting legislation, or taking it to the House floor, without action by the tax-writing Ways and Means Committee increasing revenues into the trust fund (some sort of tax increase) commensurate with the levels that Transportation and Infrastructure feels are required to meet our nation's needs.

Congresswoman Johnson has requested that the Committee provide \$82.3 million for the I-30 Margaret McDermott Bridge and \$40.3 million for SM Wright.

In the Senate, Chairman Barbara Boxer (D-CA), of the Environment and Public Works Committee, is currently assembling a companion measure to the House effort, which we expect will provide an outline of her thoughts on the future structure of the nation's surface transportation programs, without including funding levels or project-specific details..

The last time Congress passed a major transportation reauthorization bill, it contained \$74 million for the Trinity bridges.

With regard to WRDA, the House Transportation and Infrastructure Committee reported legislation shortly before its August recess, HR 5892, which fully reflects our request that the authorization for the Dallas Floodway be increased to \$882 million, with a federal share of \$573.3 million. Associated modifications, which would explicitly define the project to include \$150 million in levee remediation work, and allow the City to provide the Corps with money to perform its Section 408 permitting work, must still be ironed out.

It is hoped that this legislation might still go to the House floor this year. We are told, as well, that the Senate Committee is now compiling its companion legislation. We would expect that the prospects for enactment of WRDA in the 111th Congress is greater than for a surface transportation reauthorization measure, though far from a certainty.

The Energy and Water FY '11 Appropriations bills, which contain funding for Army Corps of Engineers projects, have been reported out of Subcommittee in the House, and the full Appropriations Committee in the Senate. The Senate measure includes \$2.3 million for the Dallas Floodway, which after the Louisiana Coastal Area Ecosystem Restoration Project, and the six-state Missouri River project, was the largest amount provided to a feasibility study by the Senate. This is certainly attributable to the hard work of our Senators.

The \$20.5 million contained in the Senate Energy and Water Appropriations bill for the Dallas Floodway Extension reflected the greatest increase over the Administration's funding request (zero for the DFE) of any construction project in the legislation. Again, the work of our Senators was, obviously, critical to our success.

In the House bill, which has been reported from Subcommittee but not yet the full Committee, \$2.3 million was included for the Dallas Floodway feasibility study (the fourth largest project in the country under the General Investigations budget), but only \$2 million for the Dallas Floodway Construction.

With \$2.3 million included for the Dallas Floodway in both, the Senate and House bills, it does seem somewhat likely that this might be our final number for FY '11. Of course, the wide discrepancy between the House and Senate numbers for the Dallas Floodway Extension suggests that much work needs to be done if we are to attain the highest amount possible.

In addition to funding issues, we have worked over the course of the year on legislation designed to disentangle Trinity River Corridor projects from historic preservation issues (with mixed success as part of a Supplemental Appropriations bill), and, in a bill which has passed the House but for which the prospects for enactment seem uncertain, to delay mandatory flood insurance rates for properties determined to be within the 100 year flood plain. Unfortunately, the House-passed bill would not delay the effective date of new maps or development restrictions associated with them.

RANDY CAIN

Recent Successes

INTERIM LEGISLATIVE DUTIES

- Conducted research on legislative history for City staff
- Researched various transportation questions from City staff
- Attended and monitor Statewide Transportation Advocates, Inc. meetings
- Assisted with Senate and House committee staffs for Dallas interim legislative hearings
- Monitored distribution of legislative appropriations from TDHCA to Homeless Assistance Center
- Tracked and monitored Legislative Budget Board hearings for Legislative Appropriations Requests for state agencies with budget items of interest to the City
- Assisted in coordination of legislative visits during TX-OU weekend in Dallas

Texas Municipal League Legislative Policy Committees

Monitored the legislative policy committees as they held meetings in Austin in May through September of 2010.

- Attended the Legislative Resolutions Committee meeting at the TML Annual Conference.

Legislator Functions

Attended over 100 state legislator functions during the contract year.

Miscellaneous

- Assisted the city attorney's office with various legislator and staff requests.
- Routinely meet with legislators, staff, committee staff and agency staff during interim period.

INTERIM LEGISLATIVE COMMITTEES

Monitored the following interim committees, as they relate to Dallas, held in Austin and other cities around the state:

Texas House of Representatives Interim Charges – 81st Legislature

House Committee on Appropriations

House Committee on Culture, Recreation, and Tourism

House Committee on Defense and Veterans' Affairs

House Committee on Higher Education

House Committee on Land and Resource Management

House Committee on Natural Resources

House Select Committee on Federal Economic Stabilization Funding

House Committee on Transportation

House Committee on Ways and Means

Texas Senate Interim Charges – 81st Legislature

Business & Commerce

Criminal Justice

Economic Development

Finance

Government Organization

Intergovernmental Relations

Natural Resources

State Affairs

Transportation & Homeland Security

HILLCO PARTNERS

Recent Successes

The following represents a summary of the activities which HillCo Partners has been engaged on behalf of the City of Dallas. These activities occurred during the interim period following the 81st Session of the Texas Legislature.

Follow-up With Legislation from 81st Session of Texas Legislature

We have tracked and had input into the study group that was created to assess the steps necessary to construct East Texas reservoirs. This was the step stipulated in SB3, which created the unique reservoir sites for Texas of which Dallas has a key interest. To date this process seems to be moving forward in a direction that does not create immediate or significant concerns for the City's interests.

We have had multiple discussions with Representative Stephen Frost, who was the initiator of the review provisions of SB3, to remind him of the City's interest and to remain in touch with any issues he has.

Interim Charges Which Could Impact the City's Water Interests

Several interim charges were given by the Lieutenant Governor and the Speaker which directly or indirectly could have impact on the City's strategies and options. These include:

House Natural Resources Committee Charges

1. Evaluate groundwater regulations and permitting processes throughout the state, including the role of state agencies in groundwater management, the development of desired future conditions, and the adoption of groundwater management plans in relation to regional and state water planning.
2. Monitor the effects of current and proposed federal initiatives that could impact the implementation of the State Water Plan. Evaluate the policies and investments developed by other states dealing with water issues similar to the State of Texas.
3. Monitor ongoing drought conditions and initiatives to promote water conservation through the review of the following: state requirements for the submittal of water conservation plans and annual reporting; the "trigger" for use of drought contingency plans; recommendations by state agencies and the Water Conservation Advisory Council; and progress toward the development of recycled water resources and desalination projects.
4. Evaluate the regulatory model for investor-owned water and sewer utilities, including rate case process and timing, consultant fee recovery, overall cost reductions, and more effective consumer participation.
5. Monitor the agencies and programs under the committee's jurisdiction.

To date the Committee has held hearings on all of the charges. HillCo has been in attendance at each hearing and has stayed in close communication with the Chairman, committee members, and committee staff to assure the City's interests are known and protected. To date, nothing significant has arisen and we expect the committee report to be finalized during the fall.

In addition to these charges, the Chairman of House Natural Resources created a sub-committee to look at special districts and their responsibilities and authority over water interests. This Committee has held one hearing, which HillCo attended, and it is not certain but unlikely they will meet again. Their findings and recommendations will be included in the House Natural Resources interim report. This report will then be the basis for water legislation supported by the House Natural Resources Committee going into the 82nd Session in January 2011.

Senate Natural Resources Committee Charges

1. Analyze and compare the differences in cost between immediate implementation of the State Water Plan compared to staged development over time.
2. Review the joint planning process for management of groundwater resources and monitor the progress of groundwater conservation districts' efforts to establish, before the statutory deadline, desired future conditions for aquifers. Elimination of any exemptions and coordination between groundwater conservation districts and activities regulated by the Texas Commission on Environmental Quality, the Railroad Commission of Texas, and the state and regional water planning processes administered by the Texas Water Development Board.
3. Study the need for the state to regulate the drilling of new wells within proscribed depths and distances of Texas rivers in order to prevent the draining of surface water from alluvial plains of river basins. Make recommendations for any needed legislation.
4. Monitor the environmental impacts, including water usage, and role of the Texas Commission on Environmental Quality (TCEQ) and other agencies in oil and natural gas development in areas of the state such as the Barnett Shale.

As a result of Chairman Kip Averitt's decision not to run for re-election, the hearing process for these water charges has lagged behind the House Natural Resources Committee. Recently Senator Troy Fraser, who has served on the Committee for Senate Natural Resources, was named Chairman by the Lieutenant Governor, and so some progress has been made. Hearings have been held on groundwater charges, oil and natural gas development, and regulation of water wells impact on river flows. HillCo anticipates the Committee report containing these charges to come out in the fall. To date there are no red flag issues that would impact the City water supplies or strategies.

In addition to the interim charges in both the House and Senate, HillCo has also tracked the discussions of a Texas Water Conservation Association (TWCA) groundwater committee, which was charged by the TWCA Board to review and where possible make recommendations on several significant groundwater

topics including the process of determining “desired future condition” of aquifers throughout the State. The City has a representative on this Committee, so HillCo has only observed the discussion and process and has not actively lobbied for any particular outcome. The report of this committee is months from completion and should be monitored closely to assure its recommendations and likely legislation resulting from these recommendations do not negatively affect the City.

Regulatory Assistance

HillCo has also assisted the City in a couple of potential enforcement actions by the Texas Commission on Environmental Quality (TCEQ) addressing potable water line breaks and their impact on waters of the State. HillCo has aided the City through the coordination of meetings with key TCEQ decision makers and by assisting in the development of an acceptable policy which affords the City certainty while not requiring unnecessary costs and time utilization to the City.

HillCo is very appreciative of the opportunity to represent the City on all of its water interests in both the Legislature and regulatory agencies. We believe the team effort between the City staff and HillCo has resulted in all major legislative interests of the City being achieved while minimizing regulatory exposure to state agencies. HillCo stands ready to continue to assist in future challenges and successes.

KWAME WALKER

Recent Successes

Represented the City before state agencies, legislators, and Senate and House committees as requested by the City Attorneys office.

Attended and monitored all hearings of the House Land and Resource Management and the Senate Criminal Justice Committee.

Kwame Walker attended and monitored the various pieces of legislation which affected the City of Dallas. Kwame Walker & Associates was the lead on HB 3438 by Representative Hodge (sponsored in the Senate by Senator West) which was included on the Committee's agenda. Kwame Walker lobbied on behalf of the City of Dallas to pass into law this piece of legislation.

H.B. 3438 authorizes the Texas Board of Criminal Justice to enter into negotiations with the City of Dallas to arrange for a comparable property exchange so that Dallas can gain control of the facility and convert it to a use visually and functionally compatible with the remainder of the planned Downtown Overlook and Grand Trinity Plaza nearby. The Texas Department of Criminal Justice's (TDCJ) Dawson State Jail Facility is located in immediate proximity to the planned Downtown (Reunion) Overlook, the single most important link between the central business district and convention center and the Trinity.

The Downtown Overlook area will have unparalleled views of the two planned world-class Santiago Calatrava bridges and the two lakes, which are the centerpiece of the entire Trinity Lakes design. Dallas is quite literally in the process of converting a long established "back alley" environment to a future "front yard" condition. The continued existence of the Dawson facility in the middle of the envisioned front yard is causing serious problems for the urban designers. This piece of legislation was effective immediately upon the Governor's signing.

Attended and monitored all hearings of the House Criminal Jurisprudence Committee and the Senate Criminal Justice Committee.

Kwame Walker attended and monitored the various pieces of legislation that were brought before the committee which affected the City of Dallas. Kwame Walker was the lead on HB 960 by Representative Anchia (sponsored in the Senate by Senator Corona) which was included on the Committee's agenda. Kwame Walker & Associates lobbied on behalf of the City of Dallas to pass into law this piece of legislation.

Currently, license applications for sexually oriented businesses require a criminal background check. According to the Texas Department of Public Safety (DPS), the FBI will not grant municipalities or counties the authorization to access nationwide criminal history record information for the purpose of processing these license applications. As a result, if an applicant is convicted of a crime in another state that would prohibit the applicant from obtaining a license for operating a sexually oriented business in Texas, the municipality would not have access to that information.

H.B. 960 gives a municipality or county the right to access National Crime Information Center criminal

history record information for the purposes of obtaining information regarding persons applying for a license to operate a sexually oriented business in the municipality or county. This piece of legislation was effective immediately upon the Governor's signing.

Attended and monitored all hearings of the House Urban Affairs Committee and the Senate Intergovernmental Relations Committee.

Kwame Walker attended and monitored the various pieces of legislation which were brought before the Committees. Included on the Committee's agenda was HB 2344 by Representative Giddings/Davis and sponsored by Senator West. Kwame Walker & Associates lobbied on behalf of the City of Dallas to pass into law this piece of legislation.

HB 2244 allows a land bank to permit a qualified participating developer to exchange a property purchased from the land bank with any other property owned by the developer under certain conditions. The bill requires the land bank to adjust the deed restrictions on the occupancy and use of the property for each of the properties exchanged by the developer. The bill also provides a right of first refusal to eligible adjacent property owners for property owned by the land bank that has been deemed inappropriate for residential development. This piece of legislation was effective immediately upon the Governor's signing.

Other pieces of legislation worked on and monitored:

- Preserving the cities authority to ban liquor stores near schools.
- Homelessness Funds
- Tracked Sec. 351 of the Tax Code which includes Dallas in the population bracket to allow the use of both the hotel occupancy tax and state portion of the sales tax from a Convention Center Hotel to help finance the construction of that hotel.
- Law creation/funding
- Film Incentives
- Green cement

During the interim of 2010 Kwame Walker attended and monitored the following interim committees:

- House Committee on Land and Resource Management
- House Committee on Transportation
- House Committee on Urban Affairs
- House Committee on Ways and Means
- Senate Committee on Finance
- Senate Intergovernmental Relations

JESSE ROMERO

Recent Successes

During 2009, my main focus was to monitor issues important to the City during the 81st Texas Legislature. I attended various committee and legislative meetings on the issues. I advised my superior, Mr. Larry Casto, on all the particulars of the events, the players involved and what it would mean for the City of Dallas. Prior to the 81st Legislature, in 2008, I monitored issues relevant to the city and worked to find funding information to renovate old county courthouses that had its origin in the county courthouse restoration project in 2000. I did this as an optional venue whereby our old city hall could be a viable venue for the law school we have worked so hard to bring to Dallas for so long.

During the 81th Regular Session of the Texas Legislature, I worked on the following issues for our city:

Group Homes: I monitored the various bills filed on the matter, but especially HB 216 by Rep. Menendez of San Antonio; and attended committee meetings as assigned by Mr. Casto. The issue is an important one for the city and throughout Texas. The bill was signed into law by Gov. Perry.

Storage / towing fees for stolen cars: I monitored the legislation filed and attended committee meetings as assigned by Mr. Casto. The issue was important as there was an amendment added to legislation that would have the municipalities and not the insurance companies, as is current law, pay for the storage of stolen vehicles. In conference committee, we were successful in defeating the amendment and preserving current law.

Municipal hotel occupancy taxes: at the core of the issue is who may estimate the amount of tax due and what can be done with the funds, and we believe it is the municipality. There were four bills that dealt with the issue and I began working on issue at the behest of Mr. Casto, but was pulled away to work on the Group Homes issue.

In 2010, I continued to monitor issues relevant to our city and work under Mr. Casto's direction.