

Memorandum



CITY OF DALLAS

DATE October 2, 2009

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 6, 2009, you will be briefed 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.

A handwritten signature in cursive script, appearing to read 'Mary K. Suhm'.

Mary K. Suhm
City Manager



**BRIEFING TO THE
LEGISLATIVE AD HOC COMMITTEE**

**STATE AND FEDERAL LOBBYISTS -
CONTRACT RENEWALS**

October 6, 2009



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
 - Susan Rocha
 - 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 seven lobbyists (two federal/five 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;
- Liaisons 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
- Liaisons with federal, state and local government, foundations, and various state and national groups (NLC, TML, and USCM).

TEXAS CITIES LEGISLATIVE COALITION (TCLC) CapitalEdge Strategies (Barbara McCall- Federal)

Background:

The City joined TCLC in 1988 to protect Dallas' interests on all pending federal legislative and executive actions. TCLC (CapitalEdge Strategies), founded in 1984, is currently comprised of the Cities of Dallas, Austin, Arlington, and Denton.

Activities:

- Monitors federal legislation impacting TCLC cities and works with the Texas Congressional Delegation and the Executive Branch to advance interests and priorities of the cities;
- Works closely with national municipal organizations, e.g., NLC, TML, USCM, and ICMA to ensure awareness of the cities' 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 two times 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 \$196 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)
SUSAN ROCHA (State)
JESSE ROMERO (State)

Background:

In 1995, the City added contract lobbying assistance for state legislative activities. Four 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.

HILCO 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 session. During the interim session, Hillco Partners assisted City staff in preparing the City's Legislative Program for the 81st 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 2009-10 State and Federal Lobbyists Contract Renewals

	<u>Amount</u>
CapitalEdge Strategies (Barbara McCall)	\$160,000
Hector Alcalde	\$73,800
Paul Schlesinger	\$43,650
Randy Cain	\$75,000
HillCo Partners	\$75,000
Kwame Walker	\$45,000
Susan Rocha	\$15,000
Jesse Romero	\$15,000
Total	Not to exceed \$502,450

RECOMMENDATION

- Recommend renewal of contracts with the City's current lobbyists on the October 28, 2009 City Council Agenda.

APPENDIX

STATE AND FEDERAL LOBBYISTS RECENT SUCCESSES

CapitalEdge Strategies (Barbara McCall)

Recent Successes

Although the economic crisis has created serious challenges for Dallas, the City has enjoyed considerable success in its federal relations effort in 2009. In addition to a continued focus on the Trinity River Corridor Project and the rest of the City's core federal agenda, much of our efforts have focused on advocating for federal funds and policies to help address current challenges. Highlights include:

American Reinvestment & Recovery Act (ARRA)

Beginning in 2008, we worked with the national public interest groups and with Dallas's congressional delegation to maximize direct ARRA funding to local governments. These efforts were partly successful and resulted in over \$99 million in direct formula allocations to Dallas institutions, including the following direct formula appropriations to the City (above and beyond regular FY 2009 formula allocations):

- Community Development Block Grant (CDBG) \$4.7 million
- Homeless Prevention and Rapid Re-housing \$7.1 million
- Federal Aid Highways \$53.8 million
- Energy Efficiency and Conservation Block Grant \$12.8 million
- Texas Weatherization Assistance Program \$13.2 million
- Internet Crimes Against Children Initiatives \$0.7 million
- Byrne Justice Assistance Grant \$7.3 million

Several ARRA discretionary grant awards have already been announced and the City's has enjoyed a positive early track record, including:

- Department of Justice COPS Hiring Grant \$8,896,300
- Environmental Protection Agency Diesel Emissions Reduction Grant \$2,828,129
- North Texas Council of Governments Byrne Justice Assistance Grant \$694,672

Following through on these efforts, we have provided the City with detailed and timely information about ARRA discretionary funding opportunities, regulations and reporting

requirements. As a result, the City has submitted applications for a number of ARRA discretionary programs, most of which will be announced soon. In addition, these efforts have ensured that City staff has the tools they need to quickly receive and begin spending ARRA funds.

FY 2009

In the FY 2009 Omnibus Appropriations Act (PL 111-8), Congress continued its practice of earmarking many federal discretionary grant programs. The delegation secured the following funding for City projects:

- Dallas Floodway Extension - \$13 million
- Upper Trinity River - \$574,000
- IIPOD Job Training - \$186,000
- Early Childhood/Family Literacy - \$214,000

FY 2010

FY 2010 appropriations bills pending in the House and Senate include earmarks obtained by the delegation for the following City projects:

Senate

- Dallas Floodway Extension - \$22,000,000
- Upper Trinity River Investigation, Dallas Floodway - \$2,125,000

House

- Dallas Floodway Extension - \$2,000,000
- Margaret McDermott Bridge - \$1,000,000

Congress will complete work on FY 2010 appropriations in the coming months. Core City programs such as Community Development Block Grants (CDBG), HOME and local law enforcement assistance will likely see increased funding in FY 2010.

Love Field

We worked with Representative Eddie Bernice Johnson to include language in the House-passed FAA Reauthorization bill (HR 915) that would allow the use of Passenger Facility Charge (PFC) funds for intermodal access projects at five airports as a pilot program; also worked with her office on a colloquy with Transportation & Infrastructure Committee Chairman James Oberstar putting him on the record in full

support of including Love Field in that pilot program.

Housing

In response to the foreclosure and housing crisis, Congress enacted and President Bush signed the Housing & Economic Recovery Act (HERA) of 2008 (PL 110-289). HERA includes authorization of \$3.9 billion for a new Neighborhood Stabilization Program (NSP). We worked last year to ensure that the bill's funding factors addressed Dallas's situation and the City was allocated \$7,932,555 to mitigate the effects of foreclosed housing. We also provided City staff with detailed information about this complicated new program, ensuring they had the tools and the information they needed to quickly and effectively implement NSP.

Surface Transportation

The House Transportation and Infrastructure Committee has begun consideration of a five-year, \$500 billion bill that would transform federal surface transportation policy, including creation of a Metropolitan Mobility Program for large metropolitan areas, a larger role in transportation planning and more resources for metropolitan planning organizations and increased resources for transit. However, under pressure from the Administration, Congress appears likely to pass an 18-month extension of current highway and transit programs when they expire at the end of this month.

Dallas has played an important role in educating its delegation and House Transportation & Infrastructure Committee and Senate Environment & Public Works Committee staff about the important role of local governments and metropolitan areas in surface transportation policy and planning and of the need to direct more surface transportation resources to metropolitan areas in general and the Metroplex in particular.

Reauthorization of surface transportation programs also presents an opportunity to secure direct federal funding of City surface transportation priorities. We took the lead in working with City staff and the congressional delegation to submit three priority projects for inclusion in this legislation. Those three projects are:

- Margaret McDermott Bridge,
- SM Wright (US 175) Enhancements and
- Streetcars.

ALCALDE & FAY

Recent Successes

2009

With Congress having recently returned from its August District Work Period, work has resumed on the FY '10 appropriations bills, as well as other measures in which the City should have a substantial interest.

The City had requested funding this year from both, the Energy and Water Development, and Transportation-HUD Appropriations measures. With regard to flood control components of the Trinity River Corridor, the House of Representatives has included \$2 million (out of \$25 million requested) for the Dallas Floodway Extension. The Senate bill contains \$22 million for this project. The House bill contained no money for our Dallas Floodway study (our request, which far exceeds the amount projects might generally receive for such projects, was \$9.4 million) while the Senate added \$2.125 million. We will work with our Delegation and the Senate and House conferees to try and have the conference agreement reflect the highest amounts possible.

The House Transportation-HUD Appropriations bill includes \$1 million for the Margaret McDermott I-30 Bridge, while the Senate legislation as reported from Committee lacks funding for this project.

With regard to major reauthorization bills, the House Subcommittee on Highways and Transit has reported legislation reauthorizing the nation's surface transportation programs. As 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.

In the Senate, Chairman Barbara Boxer (D-CA) has expressed her support for the views of the Obama Administration, which is advocating a simple 18-month continuation of the nation's highway and transit programs at current spending levels, creating additional time to determine the best ways of raising revenues to meet transportation needs, and then passing legislation to accomplish that goal.

The last time Congress passed this transportation reauthorization bill, it contained \$74 million for the Trinity bridges. This year, we have requested \$50 million for the Margaret McDermott Bridge and \$40 million for S.M. Wright.

With regard to authorizing legislation that might be utilized for the benefit of our flood control projects, the House Transportation and Infrastructure Committee has indicated that it will soon be surveying House Members soliciting their suggestions for provisions that might be included in a new Water Resources Development Act (WRDA), the periodic Army Corps of Engineers legislation which, when last enacted in 2007 contained our provision authorizing construction of the Dallas Floodway with a federal investment of \$298 million (as opposed to about \$50 million, which we are told would have been the federal commitment absent this legislation), consistent with our Balanced Vision Plan, and including our interior drainage issues as identified by the Interior Levee Drainage Study Phase-I report.

2010

Presuming that the FY '10 Appropriations bills (and especially for Energy and Water, and Transportation) are completed before Congress goes home for the year in 2009, we will need to begin calendar year 2010 working vigorously on those same bills for FY 11. As in earlier years, we expect that our objective in 2010 will be to secure additional federal assistance for the Trinity River Corridor projects. The scope of our efforts in the coming year, of course, will be in part dependent upon the outcome of this year's program.

Moreover, in what is shaping up to be an exceptionally busy year, we would anticipate WRDA moving forward in the new year (with a Committee markup of the House bill, perhaps, in the Spring and floor action following soon thereafter). We would expect Senate consideration of the legislation to follow House action. While it is still being determined how we will attempt to utilize the new WRDA to address our needs, it is likely that such a request will include a provision authorizing reimbursements to the City for funding we provide for the Dallas Floodway ahead of its receipt of federal funding. Of course, WRDA might also be utilized to address our levee issues and, perhaps, matters pertaining to the draft executive order on flood plain management.

And, of course, we are likely to see a surface transportation reauthorization bill moving forward, at least in development, in the House and Senate over the course of the year. It remains to be seen whether such legislation is enacted in 2011, but it can certainly be expected that decisions will be made that will impact our hopes and expectations for the bill.

For the past ten years we have helped organize the City's Trinity River Day in DC, at which time the Mayor has led a delegation of business and community leaders to Washington to campaign for our projects. We believe this annual event has been an important springboard for the success the City has enjoyed. We would hope that we could assist with the eleventh such annual event next Spring.

As in previous years, the strong support of our congressional delegation will continue to be the most important element in any success we may achieve. With the anticipated resignation of Senator Hutchison, it will be more crucial than ever to maintain the support we enjoy with the rest of our delegation, and to cultivate a similar level of support from Senator Hutchison's successor.

With the support of our delegation, we will work committee leaders to convince them of the importance of our projects. And as in the past, we will work directly with Members and staff of the Appropriations Subcommittees on Energy and Water Development, and Transportation-HUD, the Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee, which have jurisdiction over both, the highway and WRDA reauthorizing bills.

RANDY CAIN

Recent Successes

Worked on the following items included in the City's legislative package:

SB 956 Law School bill (also Law School TRB authorization in SB 1146)

Worked with bill sponsors and UNT staff to assist in passage of legislation authorizing a law school in downtown Dallas.

State Appropriations for City of Dallas

- Homeless initiative funding in certain municipalities
\$20,000,000 of Statewide funding to be used by qualifying cities.
- UNT Law School
\$5,000,000
- Funding for Texas Task Force 2 in City of Dallas
\$1,400,000
- State appropriations for the Fair Park Agriculture Buildings
\$1,000,000

Relating to the funding of convention center hotels in certain municipalities

- Tracked and monitored 128 bills filed during the regular session that could have been amended to repeal the state statute allowing Dallas to build a convention center hotel.
- Reviewed every bill and amendment filed in regular session re: possible repealer legislation.
- Worked with City Attorney's Office regarding legislative language in various bills and amendments that might have affected current state law, i.e. SB 1207, SB 1247.
- Worked as directed by Assistant City Attorney on legislation to try to increase state contribution to convention center hotel construction in HB 2032.

HB 873 Film Incentive legislation

Worked with Senate author to allow equal treatment of Dallas re: incentives from State.

Transportation Issues

- HB 9/ SB 855 North Texas Rail bill, also called the Local Option Transportation Act
- HB 300 TXDOT Sunset
- Worked as directed by Assistant City Attorney on various transportation legislation.

HB 2307 Meet & Confer bill

Worked as directed by Assistant City Attorney to assist in passage.

WORKED TO OPPOSE THE FOLLOWING LEGISLATION

- HB 300: Red Light Provision bill- Would have prohibited cities from enforcing red light violations by camera.
- HB 1161: Sale of Alcohol Distance bill- Would have changed distance requirements for sales near schools.
- Appraisal Caps and Revenue Caps- Various legislation that would have imposed appraisal caps or revenue caps on local governments.

OTHER ACTIVITIES

Trinity River Audubon Center

- Worked with legislative offices to obtain official proclamations. Worked with Governor's and Lt. Governor's offices to obtain proclamations.

State Agency Requests

- Worked with TXDOT re: agenda items for City.

Miscellaneous

- Assisted City Attorney's Office with various Legislator and staff requests.

Legislator Functions

- Attended over 100 state legislator functions during the contract year.

HILLCO PARTNERS

Recent Successes

Worked on the following items included in the City's legislative package:

Water Issues

Protection of Unique Reservoir Site Designation and SB 3 Provisions

There were multiple attempts to "revisit" the unique reservoir site designations that the North Texas Region (and specifically the City of Dallas) fought to accomplish during the previous Session. Attempts were made in the form of amendments to various bills at all stages of the legislative process. We, along with City staff and key supporters, worked diligently to identify any and all potential threats to the ability of the City to move forward on long-range water projects. Our team was successful in defeating all negative legislative proposals relating to water supply issues ("SB 3 provisions") and reservoirs.

We also worked extremely hard with Senate and House budget conferees and key water policymakers to ensure that detrimental provisions relating to limitations on state funding of reservoir projects within SB 1 (State Appropriations Act) did not negatively impact the City's long-range water planning process. Ultimately, the detrimental provisions being promoted by East Texas stakeholders were not included in the final passed version of SB 1.

Successfully Advocated to "Exempt" Dallas County from having a State Mandated Groundwater Conservation District with Taxing Authority

HillCo Partners worked to obtain a statutory exemption from the creation of a state mandated groundwater conservation district covering all of Dallas County. We ultimately found a home for our exemption in SB 2513 (which was a bill creating the McLennan County Groundwater Conservation District). Due to legislative process slowdowns the various "vehicles" we had identified for our statutory exemption did not make it through the entire process. We actually did not get this provision included on SB 2513 until the bill was in a conference committee and the authors agreed to pass

a resolution to “go outside the bounds” of the existing bill and include our Dallas County exemption provision. (It is worth noting that this final successful attempt at passage occurred on the final day of the Session!)

The exemption is important because Dallas County uses very little groundwater (primarily surface and treated water usage); however, state law mandating the formation of groundwater conservation districts in certain counties doesn't take this fact into account. The state law would have mandated the creation of a county wide district that would have had the ability to fund a district through fees and potentially property taxes. The exemption lasts until September 2011 and allows the stakeholders in Dallas County to determine if merging with another groundwater district or seeking a permanent exemption is the appropriate course of action for next session.

Worked to Amend or Defeat Detrimental Legislative Proposals

HillCo Partners worked to defeat or amend several detrimental legislative proposals. There were several bills that would have produced significant unfunded mandates on the Dallas Water Utility by requiring additional backup electric generating equipment. This legislation would have imposed millions of dollars in immediate costs to the City of Dallas. SB 361 was the main bill that would have mandated these costs to every water utility in the State of Texas. We worked with your local legislative delegation and other stakeholders to ensure that this bill was limited to only the most “hurricane” prone areas of the State. Specifically, we worked to ensure that this bill was limited in application to Harris County and certain counties adjacent to Harris County.

We worked to reduce the impact of HB 1433 which as originally filed would have increased the water quality fee imposed by the TCEQ by \$125,000 per year per permit. The City of Dallas maintains several of these types of permits. Ultimately, we were successful in working to reduce the requested increase to \$25,000 and put a cap on future increases. The current fee is \$75,000, so the new fee will be \$100,000 maximum with future increases allowed for inflation but capped at \$150,000 total. This bill was strongly pushed by the TCEQ and key water policymakers.

Work to Ensure City has Opportunities to Provide Input on Key Water Issues

In recent months HillCo Partners has represented the City of Dallas in planning meetings being held by Chairman Kip Averitt and Alan Ritter (Senate and House Natural Resources Committees) on the topic of a statewide “water awareness” campaign. The purpose of the public awareness campaign is to gain public support for the full funding of the State Water Plan. One of the highlights of this campaign is the H2O4Texas Water Summit to be held in the Dallas-Fort Worth Area in mid-November of this year. Through our representation of the City in these discussions we have ensured that issues of importance to the City are highlighted and afforded the needed public discourse.

HillCo Partners has also worked to ensure that the City of Dallas is asked to be a stakeholder in every major forum or policy debate on issues related to water supply or infrastructure funding.

Continued Efforts to Educate Legislative Members on North Texas Water Conservation and Planning Efforts

We once again spent considerable time briefing and educating key water policymakers, state leaders, and the overall membership of the Texas Legislature on the significant efforts that the City of Dallas has made with respect to conservation and long-range water planning efforts. HillCo Partners has taken every available opportunity to share information and educate state legislative, executive, and administrative leaders on the gains that the North Texas Region as a whole (and the City of Dallas specifically) has made with regards to water conservation. We highlight these efforts due to the fact that telling the City of Dallas “water conservation story” has been a key component to our legislative successes over the past couple of years. Our education efforts have been successful and we anticipate this aspect of our efforts to be ongoing. Members have been especially open to these discussions due to the ongoing statewide drought.

Transportation

HillCo Partners worked extremely hard in seeking the passage of legislation that

would have allowed local governments to call countywide elections to fund regional mobility and transportation projects. This initiative was referred to as the Texas Local Option Transportation Act ("TLOTA"). We worked to have this bill voted out of the Senate (twice) and thru the House Committees on Transportation and Calendars but it ultimately died on the House Calendar. This was the most success this initiative has ever had in the legislative process. The efforts on this major issue positions the issue to be one of the key legislative agenda items for the Legislature to deal with over the interim and next session.

TLOTA was also added to HB 300 (TxDOT Sunset Bill). Unfortunately, the efforts of our proponents on TLOTA (specifically Sen. Carona) fell short of passage.

In addition to our legislative efforts on TLOTA we also undertook extensive briefings and negotiations with North Texas and statewide stakeholders on the issue in order to keep the delicate balance of interests among all of the diverse supporters. We of course also tried to address concerns expressed by the opponents to TLOTA.

KWAME WALKER

Recent Successes

Represented the City before state agencies, legislators, and Senate and House committees as requested by the City Attorney's Office.

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

Kwame Walker & Associates 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 & Associates 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 & Associates attended and monitored the various pieces of legislation that were brought before the committee which affected the City of Dallas. Kwame Walker & Associates 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 & Associates 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 City's 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

SUSAN ROCHA

Recent Successes

This Legislative Session proved to be an important session for cities mainly for what did not happen. The following is a brief summary of some of the issues and my involvement.

1) Appraisal Caps and Revenues Caps

For the last 3 Legislative Sessions, cities, counties, and school districts have worked hard to oppose any legislation that would lower appraisal caps or mandate any revenue caps on Texas local governments. In the past, the Governor, Lieutenant Governor, and the Speaker of the House have all appointed blue ribbon committees to study this issue. There were 2 committees formed during the interim last session that dealt with appraisal caps and revenue caps. The House Select Committee on Property Tax Relief and Appraisal Reform focused instead on reform of the Appraisal Review Boards. The Senate Finance Sub-Committee on Property Appraisal and Revenue Caps also concentrated on appeals from the Appraisal Review Board, the State Comptroller's Property Value Study, a review of how local taxing units calculate their effective tax rate. The Senate Sub-Committee and Committee also recommended a ¼% local sales tax that would be dedicated to property tax relief.

While several bills that would have allowed for a vote to reduce appraisal caps to between 3% – 5 % were introduced, the focus this session became a re-organization of the appraisal districts themselves. Several changes were made and these were monitored closely for their effect on cities. While I do not believe this issue has entirely gone away, it is one that we will continue to monitor and continue to oppose vigorously.

2) Texas Department of Transportation (TxDOT) and Local Option Funding

Local Option Funding was introduced for the Metroplex. As it made its way through the Legislature, every large metropolitan area sought to be included. This may have caused trouble for the bill. In particular, the Bexar County Delegation was split on how many options should be offered to their local

voters. Eventually, this legislation was added to the TxDOT Sunset bill which ran into its own problems. While remaining a big issue in the Metroplex, and with no funding in sight from the State for local projects, how to fund local transportation will continue to be a priority for Dallas and the metro area.

3) Red Light Cameras and Regulation of Billboards

These issues appeared in the TxDOT Sunset bill also. Through hard work and lobbying by Texas Cities and the Texas Municipal League, these restrictions were removed from the conference report on the TxDOT bill. Cities need to remain vigilant regarding attempts to eliminate or reduce their authority in either of these areas.

4) Use of Hotel / Motel Tax Occupancy Revenue to Finance a Convention Center Hotel in Certain Municipalities

Bills were introduced to include the Cities of Amarillo and Arlington in this statute. These bills were monitored to ensure there was no attempt to remove Dallas' authority under this statute as these bills made its way through the Legislature.

5) Establishment of a Law School in the city of Dallas by the University of North Texas

Monitored this legislation.

6) Meet and Confer

Monitored legislation that authorized meet and confer for local law enforcement, fire fighters and for the rank and file employees of certain municipalities, counties, and hospital districts.

7) Continuation of Tax Abatement Authority

Monitored legislation that would have extended tax abatement authority. This legislation passed and the deadline is now extended to 2019.

8) Graffiti

Monitored and assisted with legislation that would authorize the City to increase fines, require community service for graffiti offenders, and would

authorize the City to clean up graffiti and place a lien against the property for the clean up if the land owner was notified and did not remove.

9) Homeless Funding

Monitored Appropriations that authorized increase funding for Big City Mayor's Homeless initiative.

10) Cell Phone

There are approximately nineteen (19) individual bills filed that addressed cell phone bans in various forms. One bill (HB 55) was finally passed that authorized the enforcement of a cell phone ban in school zones with proper signage. There is an issue whether the enforcement of the cell phone ban is mandatory. To date, several cities believe that it is not mandatory and therefore they have the discretion to decide whether to enforce it or not. The signage required by TxDOT is very expensive.

List of Bills That Did Not Pass

As always during the Legislative Session, we work diligently to try to stop legislation that would be detrimental to Texas cities, which included some of the following legislation:

- 1) No State funding for cities that did not enforce federal immigration laws;
- 2) Authorizing employees with a concealed gun permit to be able to bring their gun and ammunition and leave in their vehicle when parking on the employer's parking lot;
- 3) Preventing a city from charging an impoundment fee for storage of a stolen vehicle;
- 4) Any limitation on a city's authority to condemn property for public purposes.

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 the Assistant City Attorney 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 it's 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 the Assistant City Attorney. The issue is an important one for the city and throughout Texas. We were successful in amending HB 216 with language favorable to our City; and 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 the Assistant City Attorney. 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 the Assistant City Attorney, but was pulled away to work on the Group Homes issue.