

Memorandum



CITY OF DALLAS

DATE: October 11, 2013

TO: Honorable Mayor and Members of the City Council

SUBJECT: Review of the 83rd Session of the Texas Legislature and FY 2013-14 Federal and State Lobbying Contracts Renewal

On Wednesday, October 16, 2013, you will be briefed on the 83rd State Legislative Session and the proposed FY 2013-14 Federal and State Lobbying Contracts.

The briefing material is attached for your review. Please let me know if you have any questions.

A handwritten signature in blue ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans
Interim First Assistant City Manager

CC: A. C. Gonzalez, Interim City Manager
Warren M. S. Ernst, Interim City Attorney
Judge Daniel F. Solis, Administrative Judge
Rosa Rios, City Secretary
Craig D. Kinton, City Auditor
Jill Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager- Council Office

REVIEW OF THE 83RD SESSION OF THE TEXAS LEGISLATURE & FY 2013-14 FEDERAL AND STATE LOBBYING CONTRACTS RENEWAL



Briefing to Dallas City Council
October 16, 2013

Purpose of Briefing

- 83rd Session of the Texas Legislature
 - ▣ Recap of Council Initiative bills that passed
 - ▣ Review of Dallas-Specific bills
 - ▣ Summary of the Three Special Sessions
- FY 2013-14 State and Federal Lobbying Contracts Renewal
 - ▣ Review lobbying success and recommend renewal of contracts



Executive Summary

- 5,868 bills were filed, only 1,437 passed and sent to the Governor. 26 of these bills were vetoed
- Over 300 bills were filed that would have a negative impact on the city
- City of Dallas successfully passed nine (9) City Council Priority Initiatives
- The City also defeated many bills that would have had an adverse affect on city resources and hinder our ability to serve our residents
- Following the Legislature's Regular Session, three Special Sessions were called



Previous Actions

- The City of Dallas' State Legislative Program was approved on November 14, 2012.
- The regular session began on January 8, 2013 and adjourned on May 27, 2013.
- Following the regular session, three special sessions were called on May 27, July 1, and July 30.



Opposed Legislation

The City spent most of its time opposing bills that would have a negative affect on city resources. The following are examples of these bills. All failed passage.

Opposed Legislation

- **HB 1250, HB 20** – restricted use of eminent domain for projects such as the construction of new water infrastructure, including reservoirs
- **HB 1168** – exempted cemeteries from municipal storm water drainage fees
- **HB 2416** – preempted municipal regulation of plastic bags
- **HB 3419, HB 3623** – prohibited Dallas from construction of new reservoirs
- **HB 3878** – created wildlife district in East Texas that would have interfered with the construction of the DWU/Tarrant Regional Water District integrated pipeline project



Opposed Legislation (continued)

- ❑ **SB 1383** – increased costs for billboard relocation
- ❑ **HB 1858, HB 1377** – preempted municipal regulation of trees
- ❑ **HB 2176** – prohibited issuance of certificate of obligations
- ❑ **HB 2420** – restricted use of red light cameras
- ❑ **HB 2828, HB 1496** – preempted municipal regulation of oil and gas drilling
- ❑ **HB 3577** – changed makeup of COG Board, giving Denton and Collin Counties additional seats



Opposed Legislation (continued)

- **SB 1385, HB 3117, HB 3119** – preempted enforcement of environmental laws, prohibited contingent fee arrangements for legal expenses
- **HB 2981** – required significant cost increases to contain animals in shelters and advertise to public
- **HB 1148, HB 1149** – preempted municipal involvement in gas rate cases
- **HB 1235** – required cities to re-open closed swimming pools
- **SB 102, SB 144** – imposed revenue caps and spending restrictions on local governments
- **HB 928, HB 1076, HB 1314** – made it a criminal act for local governments to enforce federal gun laws



City of Dallas Legislative Program

The Following bills were City Council Initiatives outlined in the Legislative Program. Nine (9) Initiatives were successfully passed.

Public Safety



□ Texas Task Force 2

- **HB 1090** officially recognizes TTF2, puts City of Dallas employees under State workers compensation coverage when deployed by the State, and provides immunity from liability for the City when TTF2 is deployed. **This bill was vetoed by the Governor**
- **SB 1** appropriates \$2 million over the biennium to the City of Dallas for TTF2 costs (Effective September 1, 2013)
- **HB 3178** clarifies language in the Texas Interstate Mutual Aid Compact to better fit FEMA requirements to receive federal disaster aid in the event of a disaster (Effective June 14, 2013)
- The Office of Emergency Management will be the lead department for TTF2



Public Safety



- **HB 625** reinstates the \$200 Fine for driving without a license plate (Effective September 1, 2013)
- **SB 1** reinstates \$12 Million for Law Enforcement Officers Standards and Education funds (Effective September 1, 2013)
- Dallas PD and the City Attorney's Office are implementing these items



Economic Vibrancy



□ Property Assessed Clean Energy (PACE) Financing Program

- **SB 385** - Modifies the PACE financing program (renewable energy incentives) to allow commercial property owners to participate (effective June 14, 2013)



Economic Vibrancy



□ Water

- **HB 4** - Commonly known as the Water Fund Bill, HB 4 established a water fund loan program to help pay for projects in the state water plan (Effective September 1, 2013)
- **SJR 1** - Proposes a constitutional amendment providing for the creation and use of funds in the state treasury to provide financial assistance for projects related to water infrastructure. ***Proposition 6*** must be approved by the voters in November for the \$2 billion from the Rainy Day Fund to be used for water infrastructure projects



Clean, Healthy Environment



- **Homelessness Funding**
 - **SB 1**- Through new funding grants and opportunities, Dallas will be eligible to receive up to \$10 million from the State for the Biennium

- **Urban Land Bank**
 - **HB 2840** - modifies the Dallas Urban Land Bank program and provides greater flexibility (Effective September 1, 2013)



Clean, Healthy Environment



- **Civil Enforcement of Water Conservation and Animal Control Ordinances**
 - **SB 654** allows a municipality to enforce water conservation and animal control ordinances through civil adjudication (Effective September 1, 2013)
 - Code Compliance, Water, and the City Attorney's Office are working on modifying City Ordinances to allow for civil penalties of animal control and water violations



E³ Government



□ Payday Lending

- The City of Dallas currently regulates payday lenders, and many bills were introduced that would have preempted the City's ordinance. However, all bills relating to the regulation of payday lenders and preemption of municipal ordinances failed to pass



Culture, Arts & Recreation

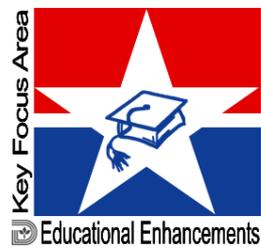


□ Texas Film and Music Marketing

- **SB 1** appropriates \$95 Million for Texas Film and Music Marketing programs for the biennium (Effective September 1, 2013)
- Dallas Film Commission will be working closely with the State to bring more productions to Dallas. The Dallas Film Commission has seen an immediate increase in interest and assistance requests



Educational Enhancements



- **Tuition Revenue Bonds (TRB's)**
 - **SB 16** would have authorized the use of tuition revenue bonds to finance construction and renovation costs at UNT Dallas and UNT Law School
 - Passed both chambers, died in conference committee
 - Many pushes to add TRB's to the agenda of the Special Session were unsuccessful



Dallas-Specific Bills

The following bills were not part of the City of Dallas' Legislative Program, but will have a direct effect on Dallas.

Dawson Jail

- **SB 1** - Directs TDCJ to reduce "bed capacity" at correctional facilities in order to cut costs. The budget rider also says TDCJ should prioritize state-owned facilities vs. private facilities. On August 31, 2013 Dawson Jail was closed and all inmates transferred out



Dallas PID/ State Wide Convention Center TIF

- **SB 660** – Allows for the collection of assessments in the Tourism PID in the same manner as other assessments defined in **SB 748** and includes Dallas in a new State Convention Center TIF (Effective June 14, 2013)
- **SB 748** - Relating to the use of certain tax revenue to enhance and upgrade convention center facilities, multipurpose arenas, venues, and related infrastructure in certain municipalities (Effective September 1, 2013)



Property Taxes

- **HB 1897** – Allows for property tax exemption of methane-recovery systems to be used at the McCommas Bluff landfill for development of renewable energy (Effective September 1, 2013)



Cotton Belt Rail District

- **SB 1333** – Created an independent board overseeing the development and construction of the Cotton Belt Rail Line. This bill failed passage



Special Session #1

- The 1st Special Session was called immediately after the Regular Session ended on May 27th, 2013. It lasted 30 days and ended on June 25th, 2013
- The following topics were slated to be discussed:
 - ▣ Redistricting of state and federal election maps
 - ▣ Sentencing guidelines for juveniles convicted of capital murder
 - ▣ Transportation construction projects funding
 - ▣ Regulation of abortion services providers
- Only redistricting-related items passed, as all other items failed to pass due to a filibuster



Special Session #2

- Immediately following the end of the 1st Special Session, Governor Perry recalled members into a 2nd Special Session to continue business remaining from the 1st Special Session
- The 2nd Special Session began on June 27th and lasted 30 days until July 28th, 2013
- All items passed with the exception of funding for transportation projects (due to a disagreement between the House and the Senate on diverting funds from the Rainy Day Fund)



Special Session #3

- Immediately following the end of the 2nd Special Session, Governor Perry called members into a 3rd special session to discuss funding options for transportation construction projects
- The 3rd Special Session began on July 29th and a bill addressing funding for transportation construction projects was passed and signed by the Governor
- On August 5th, The Legislature adjourned sine die



Transportation Construction Funding

- **SJR 1**- A proposed Constitutional Amendment would allow for a portion of the Oil and Gas Tax to be deposited into the State Highway Fund, as opposed to the Rainy Day Fund
- Transfer would only amount to an additional \$1 Billion
- Would need voter approval on the November 2014 ballot



Transportation Construction Funding

- **HB 1-** Enabling mechanism for SJR 1, contains trigger to redirect funds into Rainy Day Fund if it falls below a certain balance
- A selected committee by the Speaker and Lt. Gov will determine balance
- Creates special committees to study transportation funding alternatives
- Requires TxDOT to identify \$100M in savings
- Allows maritime ports to tap into State Highway Fund, with Texas Transportation Commission approval





City of Dallas

FEDERAL AND STATE LOBBYISTS CONTRACT RENEWALS

October 16, 2013

Overview

- **To review the current City of Dallas legislative support process**
- **To review successes and recommend renewal of contracts for legislative services with:**
 - ▣ CapitalEdge Strategies (Ralph Garboushian)
 - ▣ Paul Schlesinger
 - ▣ Hector Alcalde
 - ▣ HillCo Partners
 - ▣ Randy Cain
 - ▣ Kwame Walker
 - ▣ Jesse Romero



CITY OF DALLAS LEGISLATIVE SUPPORT PROCESS



BACKGROUND

- The City of Dallas' legislative program is designed to:
 - ▣ Enhance the City's ability to influence legislative issues that impact local government
 - ▣ Support passage of the City's federal and state legislative programs
 - ▣ Maximize federal and state support/resources for programs and special projects unique to the City
 - ▣ Increase the City's influence and presence with various organizations, including 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 many more
 - ▣ Link the City with federal and state governments by fully utilizing the City's most effective lobbyists - the Mayor and City Council



BACKGROUND

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



TEXAS CITIES LEGISLATIVE COALITION (Federal)

- The City joined the Texas Cities Legislative Coalition (TCLC) in 1988
- TLCL is comprised of Dallas, Austin, Arlington, and Denton
- TCLC is represented by CapitalEdge Strategies (Ralph Garboushian)
 - Monitors federal legislation impacting TCLC cities and works with the Texas Congressional Delegation and the Executive Branch to advance TCLC's interests and priorities
 - Works closely with national municipal organizations, including NLC, TML, USCM, and ICMA to ensure awareness of TCLC's positions and agendas
 - Briefs Council Members and staff at annual meetings of NLC, and visits the City annually and at other times requested by the City
 - Works closely with City officials and staff to develop legislative and grant strategies



HECTOR ALCALDE and PAUL SCHLESINGER (Federal)

- When the City 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
- The City contracted with Paul Schlesinger and Hector Alcalde of Alcalde & Fay, a government and public affairs lobbying firm based in Arlington, VA. The firm possesses extensive expertise in the fields of transportation and Army Corps of Engineers water projects. To date, the firm has helped secure \$220 million for the Trinity Project
 - ▣ Provides 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 Water Resources Development Act legislation to advance the project
 - Assistance with other components of the Trinity Project as directed by the City Manager



HILCO PARTNERS (State)

- ❑ Hillco Partners represents the City on water issues in the Texas legislature and with State Agencies
- ❑ Offices in Austin and Washington, DC
- ❑ Works with the Assistant City Attorney, City Manager, and Dallas Water Utilities Director to represent the City on state level municipal water issues with a particular emphasis on protecting water sources, securing revenue streams, streamline permitting authority, and protecting home rule authority
- ❑ Advises the City on legislative actions and helps develop both short-term and long-term legislative strategies with respect to municipal water issues



OTHER LOBBYISTS (State)

- Randy Cain
- Kwame Walker
- Jesse Romero
 - All lobbyists 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 recommended legislative initiatives for the recent legislative session and for future sessions
 - Draft legislation as directed by the Assistant City Attorney



STATE & FEDERAL LOBBYISTS CONTRACTS

□ FY 2013-14 Contract Renewals

LOBBYIST	FOCUS	AMOUNT
CapitalEdge Strategies	Federal	\$160,000
Paul Schlesinger	Federal	\$43,650
Hector Alcalde	Federal	\$73,800
Randy Cain	State	\$75,000
HillCo Partners	State	\$86,250
Kwame Walker	State	\$45,000
Jesse Romero	State	\$30,000
Total		\$513,700



NEXT STEPS- FEDERAL

- Ongoing through the year – Track regulatory proposals (fair housing, telecommunications, clean air)
- February/March 2014 – Monitor President's Budget Recommendations
- Spring 2014 – departments identify programs/legislation critical to the city
- Spring/Summer/Fall 2014 – Monitor FY 2015 appropriations process
- Spring/Summer/ Fall 2014 – Track key legislation (MAP-21 reauthorization, WRDA, etc.)
- Summer/Fall 2014 – Legislative staff prepares federal program for 114th Congress
- Early February 2014 – briefing to Legislative Ad Hoc Committee and Dallas City Council
- Late February 2014 – City Council vote to approve federal legislative program for 2015
- March 2014 – begin advocacy with Congress on issues outlined in federal legislative program

NEXT STEPS- STATE

- December 2013 – interim charges announced
- January 2014 – attend and monitor interim charges and work of committees
- Spring 2014 – departments identify state legislative issues of concern/interest
- June 2014 – Legislative Staff begins to develop legislative program for 84th Session
- Fall 2014 – Briefing to the Legislative Ad Hoc Committee and Dallas City Council and vote to approve
- Late Fall 2014 – Advocacy of Dallas’ legislative program begins
- January 2015 – 84th Session of Texas Legislation begins



State lobbyist activities (Interim Session)

- Monitor Interim charges – participate in stakeholder groups, attend hearings, represent Dallas’ interests with elected officials and legislative staff

- Follow up on legislative issues from the 83rd sessions, such as:
 - TxDOT and “turnback” program- deferring state highway maintenance costs to cities
 - Water and transportation – hearings on implementation of funding mechanisms for water and transportation OR what the legislature should do if the ballot referendums fail



APPENDIX: FEDERAL AND STATE LOBBYISTS FY2012-13 SUCCESSES



Photo by Miguel Casanova

CapitalEdge Strategies (Ralph Garboushian)

- Assisted the City with major federal issues, including:
 - Protecting funding for core local government programs (CDBG, HOME, ESG, Public Safety and Law Enforcement grants)
 - Retaining air traffic control services at Dallas Executive Airport during sequestration
 - Securing passage of Sales Tax Fairness Act in Senate
 - Protecting tax exemption of Municipal Bonds
 - Advancing the Trinity River Corridor Project – working with Alcalde and Fay
 - Prevention of unfunded mandates and preemption of local



authority

Hector Alcalde and Paul Schlesinger (Alcalde and Fay)

- Assisted the City with securing \$2.55 million for the Army Corps of Engineer's Dallas Floodway study, which is over and above the \$670,000 that was included in the President's budget
- Developed strategies to protect the \$459 million authorization for the Dallas Floodway project included in the 2007 Water Resources Development Act
- Ensured that \$7.8 million in earmarked SAFETEA-LU funding for the Margaret McDermott (I-30) Bridge, which was on a list of proposed earmarks to be rescinded by the Administration, was protected
- Continued to keep the Dallas area Congressional delegation informed and aware of the Project



Hillco Partners

- Actively engaged in monitoring and reporting on legislative and regulatory actions resulting from the 83rd Session of the Texas Legislature
- Assisted in protecting City's interests in Water bills debated during the session, including HB 4 and SJR 1 - now Prop 6
- Attended hearings regarding water and wastewater related issues
- Informed House and Senate leadership on strategic water supply priorities for the City
- Provided communication to the City via advisories and news flashes providing real time discussion of issues and decisions impacting water supply, water quality, water infrastructure, water project funding, permitting and compliance, and water planning



Randy Cain

- Covered Texas State Legislature Committees, including
 - Appropriations Committee (House)
 - Finance (Senate)
 - Ways & Means (House)
 - Transportation Committee (House & Senate)
- Attended Texas State Legislative functions
- Assisted City of Dallas staff with issues regarding the Texas Legislature and state agencies
- Secured \$2 Million for Texas Task Force 2



Kwame Walker

- Covered Texas State Legislature particularly in regards to water issues and SB 654- enabling municipalities to use civil adjudication for water and animal code violations
- Assisted in the passage of HB 2840- which allowed for changes to the Urban Land Bank Program
- Assisted City of Dallas staff with issues regarding the Texas Legislature and state agencies
- Assisted City of Dallas Assistant Attorney as needed on specific legislative tasks



Jesse Romero

- Assisted on legislation related to the Inter Library Loan Program, Low Income Housing Tax Credit, Payday Lending and make up of COG executive board
- Assisted in the passage of Texas Task Force II funding and on passage of HB 1090
- Monitored the House Calendars committee and worked to insure Dallas priority legislation was scheduled timely for votes

