

Brian Rodgers
1112 West 9th Street
Austin, Texas 78703

November 25, 2014

VIA EMAIL & CERTIFIED MAIL:

Marc Ott
City Manager
301 W. 2nd, 3rd Floor
Austin, TX 78701
marc.ott@ci.austin.tx.us

Elaine Hart
Chief Financial Officer
City of Austin
Financial Services
301 W. Second Street
Austin, TX 78701
elaine.hart@austintexas.gov

Ken Mory
Office of the City Auditor
P.O. Box 1088
Austin, Texas 78767-8808
(512) 974-2805, Fax: (512) 974-2078
oca_auditor@ci.austin.tx.us

Karen Kennard
City Attorney
301 W. 2nd
Austin, TX 78701
Karen.Kennard@austintexas.gov

**RE: NOTICE OF POTENTIAL CRIMINAL VIOLATION
& PUBLIC INFORMATION REQUEST**

Dear City Officials,

Attached is the evidence that the Austin DMO, Inc. d/b/a Downtown Austin Alliance (DAA), made \$440,000 in campaign contributions with public funds to Let's Go Austin, a political action committee.

The City of Austin assesses, by ordinance, a public improvement district tax on

downtown property and pays it over, as well as additional City and County public funds, to DAA to implement enhanced public services and improvements in the downtown area. Section 3(b) of City's "management" contract with DAA provides for payments from these PID taxes to DAA within 30 days of providing a quarterly report and invoice. Section 6 of the Management Contract says:

This work report will detail all of the Contractor's significant work activities in the District.... One-quarter of the special assessment revenue to be disbursed by the City to Contractor each year will be paid within 30 days of City's receipt of this quarterly report.

Paying \$440,000 in political campaign contributions would certainly be a "significant" work activity. It will be interesting to see if the DAA blatantly discloses these contributions. But regardless of whether the DAA does so, you are now on notice that no city employee can approve reimbursement or payment to the DAA for such contributions.

The Texas Election Code makes it a crime, a Class A misdemeanor, for an officer or employee of the City to spend or "authorize the spending of public funds" for the DAA's campaign contributions.

Tex. Election Code, Sec. 255.003. UNLAWFUL USE OF PUBLIC FUNDS FOR POLITICAL ADVERTISING. (a) An officer or employee of a political subdivision may not knowingly spend or authorize the spending of public funds for political advertising.

Therefore, let this letter serve as warning to the City of Austin employee(s) who pays or authorizes payment of City funds to DAA, to pay for or to reimburse the DAA's campaign contributions, that such action may be a criminal offense.

Contract Violation

Even if it were not a criminal offense for the City to pay for the DAA's poor judgment in making such campaign contributions, it is a violation of the City's contract for DAA to use these public funds in this manner. Section 2.2 of the Management Contract restricts the purposes for which the public funds can be spent, saying, "Contractor will use the special assessments collected by the City to provide the Improvements and Services." There is nothing in the Service Plan & Budget, attached to the contract, that contains an agreement that the City will permit making political campaign contributions using the City's public funds. It is a betrayal of the taxpayers in the PID for the City to permit use of their mandatory tax for political campaign contributions. Section 21 of the contract makes it subject to all federal, state, and local laws, which would include Tex. Election Code section 255.003.

On whatever basis you choose, the City should deduct from its payment to the DAA an amount equivalent to the DAA's campaign contributions.

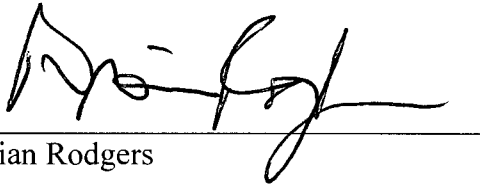
Please let me know within the next 10 days whether the City will voluntarily take action

to ensure that City funds, including the PID funds, are not used to pay or reimburse the DAA for its campaign contributions.

Public Information Request

1. Please provide a copy of any work report or invoice for payment received since January 1, 2013 from the Austin DMO, Inc. d/b/a Downtown Austin Alliance pursuant to its Management Contract (as authorized by the City Council on October 11, 2012, and as amended).
2. Please provide a copy of any signed authorization for payment and record of such payment since January 1, 2013 by the City of Austin to Austin DMO, Inc. d/b/a Downtown Austin Alliance.
3. Please provide a copy of any correspondence (electronic or paper, whether using a City email address or personal email address) since January 1, 2014 between any officer, employee, or attorney for Austin DMO, Inc. d/b/a Downtown Austin Alliance (including, but not limited to, Charles Betts) and any member of the Austin City Council, City Manager, or City Attorney concerning, in any respect, the proposal to issue City bonds for a rail transportation project.

I agree to pay the reasonable cost of providing this information promptly and efficiently. I request the records be provided electronically in PDF format. You may contact me regarding this public information request through my attorney, Bill Aleshire, Riggs Aleshire & Ray, at Aleshire@R-ALaw.com or phone at 512 457-9838.

A handwritten signature in black ink, appearing to read "Brian Rodgers", is written over a horizontal line.

Brian Rodgers

CORPORATE OR LABOR ORGANIZATION CONTRIBUTIONS OTHER THAN PLEDGES OR LOANS

SCHEDULE C

The INSTRUCTION GUIDE explains how to complete this form.		1 PAGE # Schedule: 1/2 Report: 7/11	
2 COMMITTEE NAME Let's Go Austin PAC		3 ACCOUNT # (Ethics Commission filers) 00000006	
4 Date 03/21/2014	5 Corporation / Labor Organization name Austin DMO, Inc. dba Downtown Austin Alliance 6 Corporation / Labor Organization address; City; State; Zip Code 211 E. 7th St. Suite 818 Austin, TX 78701	7 Amount of contribution (\$) \$5,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	8 In-kind contribution description (if applicable)
Date 04/25/2014	Corporation / Labor Organization name Austin DMO, Inc. dba Downtown Austin Alliance Corporation / Labor Organization address; City; State; Zip Code 211 E. 7th St. Suite 818 Austin, TX 78701	Amount of contribution (\$) \$32,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 06/27/2014	Corporation / Labor Organization name Cunningham Allen, Inc. Corporation / Labor Organization address; City; State; Zip Code 3103 Bee Cave Rd. Ste. 202 Austin, TX 78746	Amount of contribution (\$) \$2,500.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 06/27/2014	Corporation / Labor Organization name Othon, Inc. Corporation / Labor Organization address; City; State; Zip Code 11111 Wilcrest Green Suite 128 Houston, TX 77042	Amount of contribution (\$) \$500.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 05/02/2014	Corporation / Labor Organization name Page Southerland Page, Inc. Corporation / Labor Organization address; City; State; Zip Code 400 West Cesar Chavez Suite 500 Austin, TX 78701	Amount of contribution (\$) \$5,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 06/04/2014	Corporation / Labor Organization name Park Place Ph II Corporation / Labor Organization address; City; State; Zip Code 3399 Peachtree Rdd. Suite 600 Atlanta, GA 30326	Amount of contribution (\$) \$1,250.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)

CORPORATE OR LABOR ORGANIZATION CONTRIBUTIONS OTHER THAN PLEDGES OR LOANS

SCHEDULE C

The INSTRUCTION GUIDE explains how to complete this form.		1 PAGE # Schedule: 1/6 Report: 12/26	
2 COMMITTEE NAME Let's Go Austin PAC		3 ACCOUNT # (Ethics Commission filers) 00000006	
4 Date 08/21/2014	5 Corporation / Labor Organization name Austin DMO, Inc. 6 Corporation / Labor Organization address; City; State; Zip Code 211 E. 7th St. Ste. 818 Austin, TX 78701	7 Amount of contribution (\$) \$253,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	8 In-kind contribution description (if applicable)
Date 09/03/2014	Corporation / Labor Organization name Bazaarvoice, Inc. Corporation / Labor Organization address; City; State; Zip Code 4507 Knapp Hollow Austin, TX 78731	Amount of contribution (\$) \$5,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 09/10/2014	Corporation / Labor Organization name Bridgefarmer & Associates, Inc. Corporation / Labor Organization address; City; State; Zip Code 15901 Central Commerce Drive Ste 505 Pflugerville, TX 78660	Amount of contribution (\$) \$250.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 09/25/2014	Corporation / Labor Organization name Brown & Gay Engineers, Inc. Corporation / Labor Organization address; City; State; Zip Code 10777 Westheimer Rd. Ste. 400 Houston, TX 77042	Amount of contribution (\$) \$500.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 09/05/2014	Corporation / Labor Organization name Bury-AUS, Inc. Corporation / Labor Organization address; City; State; Zip Code 221 West 6th St. Ste. 600 Austin, TX 78701	Amount of contribution (\$) \$1,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 09/10/2014	Corporation / Labor Organization name Cobb Fendley Corporation / Labor Organization address; City; State; Zip Code 13430 Northwest Freeway Suite 1100 Houston, TX 77040	Amount of contribution (\$) \$500.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)

CORPORATE OR LABOR ORGANIZATION CONTRIBUTIONS OTHER THAN PLEDGES OR LOANS

SCHEDULE C

The INSTRUCTION GUIDE explains how to complete this form.		1 PAGE # Schedule: 1/3 Report: 8/24	
2 COMMITTEE NAME Let's Go Austin PAC		3 ACCOUNT # (Ethics Commission filers) 00000006	
4 Date 10/13/2014	5 Corporation / Labor Organization name AECOM 6 Corporation / Labor Organization address; City; State; Zip Code 5444 Westheimer Rd. Ste. 200 Houston, TX 77056	7 Amount of contribution (\$) \$1,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	8 In-kind contribution description (if applicable)
Date 10/01/2014	Corporation / Labor Organization name Alliance Transportation Group, Inc. Corporation / Labor Organization address; City; State; Zip Code 11500 Metric Blvd. Bldg. M-1 Austin, TX 78758	Amount of contribution (\$) \$1,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 10/03/2014	Corporation / Labor Organization name Austin DMO, Inc. Corporation / Labor Organization address; City; State; Zip Code 211 E. 7th St. Ste. 818 Austin, TX 78701	Amount of contribution (\$) \$150,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 10/21/2014	Corporation / Labor Organization name Auto-Trol Technology Corporation Corporation / Labor Organization address; City; State; Zip Code 401 Congress Ave. Ste. 2650 Austin, TX 78701	Amount of contribution (\$) \$200,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 10/09/2014	Corporation / Labor Organization name Brookfield Residential TX LLC Corporation / Labor Organization address; City; State; Zip Code 9737 Great Hills Ste. 260 Austin, TX 78759	Amount of contribution (\$) \$5,000.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)
Date 10/15/2014	Corporation / Labor Organization name Gables Construction, Inc. Corporation / Labor Organization address; City; State; Zip Code 3399 Peachtree Rd. Ste. 600 Atlanta, GA 30326	Amount of contribution (\$) \$1,500.00 (If travel outside of Texas, complete Schedule T) <input type="checkbox"/>	In-kind contribution description (if applicable)