



## People Organized in Defense of Earth and Her Resources

To: Mayor Adler and the Austin City Council  
301 W. 2<sup>nd</sup> St  
Austin, TX 78701

May 18, 2022

### **URGENT: City Should Withhold Tesla Permits Until Community Demands Are Met**

PODER, the Texas Anti-Poverty Project (TAPP), Hornsby Bend Alliance and the local groups listed below demand that the City of Austin delay granting any further permits to Tesla until the company agrees to certain conditions regarding community engagement, environmental protection, and water access. These conditions can be negotiated through dialogue with the City of Austin, Travis County, Tesla, and appropriate community liaisons.

Right now, Tesla is planning to build – in addition to their 4.2 million square foot car factory – a toxic battery cathode plant along the Colorado River, near neighborhoods that do not have access to satisfactory, affordable water, while the company is planning to receive vast amounts of water from the City of Austin for its industrial operations. We are counting on you, our representatives, to hold the company accountable to the public interest before further harm is done to communities and the environment.

To date, Tesla has failed to meaningfully engage nearby residents, and elected leaders have not applied enough pressure to bring the company to the table. Two years ago, Tesla was offered tens of millions of public dollars in tax breaks from neighboring jurisdictions to come here. The signed agreements and pronouncements allude to many possible community benefits but lack specificity or enforcement provisions. Since 2020, we note that the company has cleared swaths of trees, moved mountains of dirt, filled in ponds, and poured over 100 contiguous acres of concrete for its factory, with apparently no priority given to the creation of a promised “ecological paradise” on the riverfront<sup>i</sup>. Public officials as well as neighbors have been left scratching their heads wondering whether the company will live up to any of its verbal commitments, or continue to operate with little regard to social or environmental responsibility.

The Tesla factory is yet another disturbing example of environmental injustice on the east side of Austin, following a longstanding pattern of polluting industrial projects being concentrated near low-income communities of color, disregarding the negative impacts on human and environmental health. Austin in recent years has ostensibly become committed to pursuing equity and justice, as evidenced by the 2016 creation of the city’s Equity Office<sup>ii</sup>– whose motto is “Critical Love in Practice” – and the approval in 2021 of the Climate Equity Plan, which adopts the language of the environmental justice movement from its early pages<sup>iii</sup>. Despite that progress, the city continues to fall short on advancing equity for our most vulnerable communities in the eastern crescent.

But you – our Mayor and members of the City Council – still have the opportunity to intervene, and facilitate a mutually beneficial outcome for both the business and the community. We urge to you to exercise your oversight authority regarding two ongoing city approval processes that are of immediate and specific concern:

#### **1. No Batteries In Our Backyards (or Our River)**

Tesla has applied for a city permit for its planned Battery Cathode manufacturing facility<sup>iv</sup>. This permit is still under review by city staff, yet the company has already begun building the plant without approval<sup>v</sup>. Such activity is in line with past behavior from Tesla and other companies owned by mega-billionaire Elon Musk, who – from California to Brownsville and now Austin – has a history of asking for forgiveness instead of permission.

The planned battery facility would be located right along the Colorado River, and just down the street from the nearby neighborhood of Austin’s Colony. Though public details are still lacking, and the company has released almost

no information on it, the facility is expected to process spodumene concentrate into lithium hydroxide, which is a key component of batteries. The manufacturing process will require a substantial amount of water and chemicals, and result in a significant hazardous waste stream, permitted by the so-called Texas Commission on Environmental Quality<sup>vi</sup>.

Thus far, the public has been unable to get further details on this permit, because according to the TCEQ, the application contains confidential business information. That is simply unacceptable, given the well-known and well-documented dangers of the materials and processes involved in battery production. Tesla's own supplier for the cathode facility, Piedmont Lithium, described the hazards of these products in a 2020 fact sheet, noting that caution should be taken to "avoid contamination of surface, ground and sewerage waters"<sup>vii</sup>.

Where will the toxic waste end up? How will Austin ensure that it doesn't pollute the water?

## 2. Quality Drinking Water for People Before Corporations

Additionally, Tesla has applied for service from Austin Water, even though the property is outside the boundaries of Austin Water's service area. Tesla's site was located instead in the service area of South West Water, a private company that has profited off of the residents of Austin's Colony for years by selling them unsatisfactory, unreliable water at sky-high prices. But in January 2021, Tesla was granted an "expedited release" from South West's service area by the Public Utility Commission, which freed them up to get connected to Austin Water (without any apparent public input or oversight from the Council). It is estimated that they will consume nearly 400 million gallons of water per year for their operations<sup>viii</sup>.

Meanwhile, there is a small, low-income neighborhood just across the road from Tesla, called Garden Valley, which receives water wholesale from Austin Water but retail service from Aqua Texas, Inc., a subsidiary of one of the largest private water companies in the country<sup>ix</sup>. Their rates are more than double those of Austin Water. These five streets are closer to the city than Tesla is, but they get Austin's water re-sold to them at 2x the cost. And a company worth almost \$1 trillion is going to get reliable, affordable water directly from the City of Austin, while people nearby are left to be capitalized on by profit-driven, investor-owned utilities.

How have our priorities as a city become so backwards? We should be protecting the public health of the community and the environment *before* serving the corporate interests of the world's single wealthiest individual. We should be using every tool at our disposal as a city to hold polluting companies accountable and *prevent* them from ruining Austin's precious natural resources: our water, trees, and ecosystems that support not only wildlife but human well-being. We should be facilitating community engagement on these major, toxic projects, *slowing down* the process to understand impacts on the front end before rubber-stamping industrial development, and holding companies to a higher ethical standard than the legally required bare minimum. If we do not raise the bar for the increasing number of corporations who wish to relocate to Austin or expand their presence, we risk losing precisely that which attracts people to live here in the first place: the clean, beautiful environment that is the foundation of our collective quality of life.

We reiterate our demand that all pending and future permits with the City regarding Tesla be held until an agreement can be reached, with written commitments by the company to adequately engage local communities and protect the environment, as well as to work collaboratively with relevant parties to remedy inequities in water access. We request that this matter be brought as a resolution before the council as soon as possible. Thank you.

Respectfully,

**Susana Almanza**, PODER

**Paul DiFiore**, PODER

**Ofelia Zapata**, TAPP

**Richard Franklin III**, Hornsby Bend Alliance

## **SUPPORTING GROUPS**

- Austin Youth River Watch
- Defenders of Wildlife
- Ecology Action
- Go Austin / Vamos Austin
- Hill Country Alliance
- Public Citizen
- Save Barton Creek Association
- Save Our Springs Alliance
- Sierra Club Austin Regional Group
- Sunrise Movement Austin
- Texas Campaign for the Environment
- Travis Audubon

## Attachments

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- i <https://electrek.co/2020/07/24/tesla-gigafactory-austin-ecological-paradise-open-public/>
- ii <https://www.austintexas.gov/department/equity/about>
- iii <https://www.austintexas.gov/page/austin-climate-equity-plan>
- iv [https://abc.austintexas.gov/public-search-other?t\\_detail=1&t\\_selected\\_folderrsn=12870929&t\\_selected\\_propertyrsn=0](https://abc.austintexas.gov/public-search-other?t_detail=1&t_selected_folderrsn=12870929&t_selected_propertyrsn=0)
- v <https://www.youtube.com/c/JoeTegtmeyer/featured>
- vi [https://www15.tceq.texas.gov/crpub/index.cfm?fuseaction=regent.showSingleRN&re\\_id=1693167320205](https://www15.tceq.texas.gov/crpub/index.cfm?fuseaction=regent.showSingleRN&re_id=1693167320205)
- vii <https://piedmontlithium.com/wp-content/uploads/SDS-Piedmont-Lithium-LithiumHydroxideMonohydrate.pdf>
- viii <https://www.forbes.com/sites/alanohnsman/2022/04/06/teslas-water-worries-dont-end-in-berlin-giga-texas-in-booming-austin-may-also-see-drier-times/?sh=4b3162383d7a>
- ix <https://www.puc.texas.gov/industry/water/utilities/map.aspx>