

**CITY OF HORSESHOE BAY**  
**CITY COUNCIL SPECIAL MEETING**

**MINUTES**

January 25, 2010

The Council of the City of Horseshoe Bay held a Special Public Meeting at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, January 25, 2010, in accordance with duly posted notice of said meeting. Mayor Bob Lambert called the meeting to order at 3:00 p.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor  
James E. Babcock, Mayor Pro Tem  
Claudia Haydon, Councilperson  
Phillip Lee, Councilperson  
Jeff Robinson, Councilperson  
Steve Spence, Councilperson

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Bob Lambert called the meeting to order at 3:00 p.m. with a quorum present.
  
5. Possible Acquisition of the HSB Airport: City Manager Stan Farmer gave a presentation regarding the possible acquisition of the Horseshoe Bay Airport, now owned by the Resort, by the City of Horseshoe Bay. He said the current owner of the airport is committed to work with the City, TxDOT Aviation Division and the Federal Government in researching the viability of selling the airport to the City utilizing Federal Grant funds at no expense to the City. Federal Grant funds would pay 90% of the purchase price with the Resort/seller agreeing to forgive the remaining 10%. The current airport owner is willing to transfer ownership of the airport to the City because a public entity is eligible for grant funding from the FAA and TxDOT Aviation Division for costly capital improvement projects whereas a private airport does not qualify for any such state or federal funds. These costly capital improvement projects are eligible for 90% funding from FAA with only a local 10% match. TxDOT also offers funding for smaller capital projects at a 50/50 match. In addition to Federal and State grants, funds are available for a roadway entrance off Hwy. 71, as well as providing a more direct route to the terminal on the northeast side of the airstrip. Mr. Farmer added that the Resort has recently spent millions of dollars at its 160+ acre facility to ensure it is a first class airstrip with the latest safety features for instrument landings. This expenditure of owner funds is translated into less capital for other desired amenity projects, therefore this transfer could result in future amenity projects being expedited. This recent capital infusion coupled with the current airport's operations being successful with gross revenues exceeding expenditures suggest a municipal managed

airport could be an immediate cash contribution with little demand on City resources. The airport generates revenue primarily from fuel sales allowing it to maintain a profit. This profit margin could possibly be increased as a public airport with more access resulting in more fuel sales. This grant program has been available for several years from the FAA. Recently the City Council met in small groups with TxDOT Aviation Manager David Fulton and the Resort owner. Mayor Lambert said the Council was aware that this possibility was being looked at by the Resort and Stan Farmer who determined it was worth analyzing it. He added that at last week's meetings the Council gained a lot of information. He added either TxDOT or the FAA will arrange to have the property appraised and if the appraisal is acceptable then the City could consider going forward. Mayor Lambert added this is in the very early stages and the purpose today is for the City Council to decide how to get this analyzed. Councilperson Spence asked Mr. Jaffe last week to supply the Council with a five year profit and loss statement for the airport for review by the Council. Mr. Fulton thought the study could take up to six months. Mayor Lambert asked the Council if they would like to form a citizen advisory committee to study the feasibility of this project and ask the HSB Beacon to publicize in order to get volunteers to serve on this committee. Councilperson Spence stressed a balanced perspective on the committee. Councilperson Babcock suggested items that the City needs to consider are whether the FAA will allow the "through the fence" option to continue; the appraisal of the airport; and a business plan for the airport. Mayor Lambert said he has confirmed that if a corporation lists the HSB airport as being their home base, that airplane pays property tax in the City, school district and County. He added he feels the City's cost commitment would be very low. Ron Mitchell said that with the upgrades the Resort has done recently the FAA has reclassified the airport from Private/Private to Private/Public. This means the public can now land there without being a member as has been required in the past. The Council discussed appointing the committee at the February meeting. He asked that anyone wishing to volunteer contact City Manager Stan Farmer or a Councilperson.

The meeting was adjourned for a recess at 4:00 p.m.

The meeting was reconvened at 4:05 p.m.

2. Street Upgrade and Maintenance Plan: The Council approved certain policies regarding City Street upgrades at the last meeting. Mayor Lambert drafted additional policies for the Council to consider at this meeting regarding additional options for street assessments.

- a. Payment Terms for Street Assessments

Property owners will be given an option regarding the first three:

Total assessment paid when the upgrade is complete; or

6 equal principal payments, with the first due when the upgrade is complete and the other over the following five years. The balance will bear interest at 4% and be due with the annual principal payment; or

An automatic monthly payment by bank draft. The payment will be for a consistent amount and will be computed based on payments over five years with 4% interest.

Assessment for properties for which there is no formal agreement regarding payment terms and all payments which become delinquent will bear interest at 8%.

For all assessments financed, appropriate liens will be placed on the property.

b. Financing

Street upgrades will be financed predominately with street assessments. The City Council will analyze every street considered for upgrade, and it is anticipated that some streets (major arterial streets with few homes fronting the streets) will be financed primarily with ad valorem funds and that some may be a blend of ad valorem funds and street assessments.

c. Reimbursement for assessment

If within three years of completion of an upgrade to a specific street, the City Council decides to finance future street upgrades predominately with ad valorem taxes (either directly through the annual tax assessment or a bond sale), any amounts paid by a property owner related to the upgrade of his/her street will be refunded. Any future amounts will be cancelled.

d. Street Assessment Methodology

For street upgrades in 2010 and 2011 the maximum street assessment will be \$35 per front foot.

e. Petition for Street Upgrade

A standard petition for registered voters to sign requesting the City Council to consider an upgrade to their street has been approved by the City Council.

Councilperson Steve Spence made the motion to approve the items as discussed. The motion was seconded by Councilperson Haydon. The motion passed unanimously (5-0).

Tony Plumlee with Willis Engineering gave an update on his findings on the condition, various possible upgrades as well as the approximate cost regarding Bay West Boulevard and HSB Boulevard for the Council to consider. The Council discussed the possibility of placing a bridge at the low water crossing near the entrance to Bay West Boulevard as well as addressing safety hazards regarding the median.

The Council scheduled a workshop for February 17<sup>th</sup> and asked Mr. Plumlee to come back with pictures and drawings of what the proposed bridge might look like at that time.

City Manager Stan Farmer said he is working with Councilperson Lee and Tony Plumlee on the Street Maintenance Plan. He added it is a work in progress and they have another meeting set up on Wednesday of this week.

