

CITY OF HORSESHOE BAY
CITY COUNCIL WORKSHOP

March 17, 2009

The Council of the City of Horseshoe Bay held a Special Public Meeting to conduct a Streets Workshop at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, March 17, 2009, in accordance with duly posted notice of said meeting. Mayor Bob Lambert called the meeting to order at 10:00 a.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Claudia Haydon, Alderwoman
Jeff Robinson, Alderman
Steve Spence, Alderman

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 streets workshop to order at 10:00 a.m. with a quorum present.
2. Recommendation from City Attorney Regarding Amending the EC&R and Condemnation Alternatives: City Attorney Monte Akers stated that shortly after the last workshop he was advised that the Horseshoe POA Board of Directors was not interested in pursuing a friendly condemnation. Since then attention has been focused on amending the EC&R. On March 3rd his firm put together a draft memo with recommendations for doing that and that memo is in today's workshop packet. It contains items that they feel need to be changed in the EC&R. He does not feel that amending the EC&R is mandatory, but it is something they recommend if the parties are agreeable. Attorney Akers said their focus then changed to the Amenities Owner agreement. They have been working with their attorneys and now have a draft agreement that was just completed yesterday.
3. Draft of Amended EC&R: Mayor Lambert stated Monte Akers had written the March 3rd memo and the Amenities Owner and their attorneys agree on the changes. Subsequently, Monte Akers drafted the proposed amendments to the EC&R that has been distributed to the City Council.

Alderman Bird stated he would like to make the same changes apply to the Applehead and Applehead Island sections of the EC&R. Mayor Pro Tem Babcock suggested deleting items 2a & 2b. Any further amendments to the EC&R would be done by the City with the approval of the Amenities Owner. It was noted that paragraph 15 in the agreement with the Amenities Owner needs to be written so they are not assigning this specific right to the City.

The discussion moved to responsibility for maintenance on the esplanades. Currently, the HSB POA has an agreement with the Amenities Owner for maintenance of the esplanades. If in the future the POA wants to transfer ownership of these properties to the City and the City is agreeable, the POA would pay an amount equal to the two year average of the amount they have been paying the Amenities Owner. If the Amenities Owner wants to transfer the maintenance of the esplanades to the City and the City is agreeable, the POA would pay an amount equal to the two year average of the amount they have been paying the Amenities Owner.

Mayor Lambert said a new draft will be done with the changes as discussed.

4. Agreement between the City of Horseshoe Bay and the Horseshoe Bay Property Owners' Association: The discussion began with the February 16th memo from City Attorney Monte Akers and Veronica Rivera. Item number 1 under Primary Issues pertains to the MFI Maintenance Fee Distribution. The HSB POA does not want to disrupt the current procedure of distribution of cash from MFI. The Council agreed to allow the funds to continue to go to the HSB POA with distribution to the City of their percentage within a set number of days (10-15 days after receipt). The second issue is regarding the esplanades and shoulders as discussed in item number 3 above.

In the same memo on page 5 under Ancillary, Title Review, and Exhibit Issues – POA Agreement, item number 1 pertains to ownership of the low water crossing at Bay West Blvd. It was determined that ownership should be determined and the City should take ownership. There is a right-of-way of 100 feet for the street. The Amenities owner will take ownership of all the cart paths that cross City streets as previously discussed.

Under item number 2 regarding Obligations of the POA, Item No. 3, an assignment of easement is shown but not listed as an exhibit. Mayor Pro Tem Babcock stated the draft easement should contain language that the City has the right to alter the esplanades should they be a safety hazard. Council would like to proceed with drafting the easement.

Item number 3 is no longer relevant based on proposed amendments to the EC&R.

Item number 4 as well as exhibits listed on the memo are clean up issues for the attorneys to take care of.

Mayor Lambert said in addition to the sixteen items in his paper from the February 17, 2009 workshop and the items from Attorney Akers' March 3rd memo, the POA agreement should also contain a new paragraph in the "Termination and Term" section stating something like the draft he distributed. All parties were requested to send suggested wording changes to City Attorney Monte Akers. The second suggested change was a new item under "Obligations of the City" section should read "Computed on a basis of a three year moving average, expend at least the amounts of money received pursuant to item number 2 above on the activities in item number 3 above."

Mayor Lambert stated once the wording discussed today is placed in the POA Agreement Final Draft, the City Council and the POA are in agreement. No City Council member objected to the Mayor's conclusion.

The meeting was recessed at 11:25 a.m. for a short break and reconvened at 11:30 a.m.

5. Agreement between the City of Horseshoe Bay and the Amenities Owner: Mayor Lambert said the revised draft of this agreement is not something he expects the City Council to review today. The City produced a version of this agreement dated December 12, 2008. A redline version, as well as a clean version of changes made to the December 12th document, has been distributed today. He said this version is acceptable to the Amenities Owner and his attorneys and that he and Monte Akers are also satisfied with the draft. Much of the language is directed at protecting the maintenance fees. Mayor Lambert stated Item 4 deserves special attention. The second item of general interest was money. This document provides that between an actual cash payment and the money the City will receive from the Northland Cable franchise rights, the Resort will contribute \$1.35 million to the City project over a four year period. They would be able to credit up to \$600,000 against either a street assessment or taxes related to a bond election. The remaining \$750,000 would be used as a normal part of street maintenance under the direction of the City. One thing that was important to the Resort was if the City has a bond election to do a street upgrade, they would want the \$600,000 to credit against tax assessments related to that bond election. The offer the City had made to the Resort was within the first five years the City would upgrade three of the streets that are of particular concern to them. This could be funded by street assessments or whatever basis the Council decides to use.

Any Council suggestions, questions or comments should be forwarded to City Attorney Monte Akers and if he feels pertinent he should send them back to the Council for review prior to the next meeting.

Mayor Lambert asked Attorney Veronica Rivera how long it might take to get the documents finalized in order to give the parties time to review prior to the next meeting. She stated if all the attorneys and parties involved will assist and contribute, she could accomplish this in two weeks.

Mayor Lambert suggested another workshop April 14th if the Council members are available. This will be discussed further at today's regular Council meeting.

6. Agreement between the City of Horseshoe Bay and the Declarant: There was no discussion regarding this item.
7. Adjournment: There being no further discussion, a motion to adjourn the meeting at 11:43 a.m. The motion passed unanimously (5-0).

