

**CITY OF HORSESHOE BAY**  
**CITY COUNCIL PUBLIC MEETING**

**MINUTES**

June 15, 2010

The Council of the City of Horseshoe Bay held a Public Meeting at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, June 15, 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 Public Meeting to order at 3:00 p.m. with a quorum present.
2. Invocation: Father Ruben Patino of St. Paul the Apostle Chapel gave the invocation.
3. Pledges to the Flags: Mayor Lambert led the pledges of allegiance to the United States flag and the Texas flag. He welcomed everyone to the meeting and asked that anyone who wanted to make comments please sign the sheet on the podium.
4. Public Comments (those speaking are asked to limit their comments to three minutes): Drew Crosby with the HSB Business Alliance invited the public to their community coffee Wednesday, June 30<sup>th</sup> at the Taste of Thyme from 9:00 a.m. to 10 a.m. Mr. Crosby also said they are forming a non-profit organization to work with the City.
5. Staff Recognition:
  - a. Service Awards:
    - i. Lanny Atchley – 15 Year Service Award
    - ii. Rick Noland – 10 Year Service Award
  - b. Introduction of New Employee:
    - i. Ben Miller – Fire Fighter

Mayor Lambert presented Rick Noland from the Field Services Department and Lanny Atchley with the Fire Department each with a plaque in appreciation of their service to the City.

Fire Chief Jim Fiero introduced new Firefighter Ben Miller.

6. Presentation to Resort Employees: Police Chief Bill Lane recognized Horseshoe Bay Resort security officers Sean Morris and Jonathan Curlee for their assistance in apprehending a burglary suspect. Mayor Lambert presented each with a plaque.
7. Dr. Ryder Warren, Marble Falls Schools Superintendent: Dr. Warren gave an update on the school district. Mayor Lambert honored Dr. Warren with a proclamation from the City for his service.
8. Request from ESDs to Place Memorial Plaque for J.B. Ellis on City Property: Jimmy Davis President of the Burnet County ESD#1 requested permission from the Council to place a memorial plaque honoring J.B. Ellis, past president of the BCESD #1 from 2004 to 2010, on the Fire Department Building. Councilperson Haydon made the motion to allow the request. The motion was seconded by Councilperson Babcock. The motion passed unanimously (5-0).
9. Items to be removed from the Consent Agenda: There were no items removed from the Consent Agenda.
10. Consent Agenda Items:
  - a. Minutes of the May 19, 2010 Public Meeting
  - b. Variance for Storage of Fireworks
  - c. Terminate LCRA/Highland Lakes Regional Biosolids Composting Project Contract for Service

Councilperson Babcock made the motion to approve the consent agenda. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).

11. Monthly Statistical Departmental Data Reports:
  - a. City Manager; Administration; Community Services; Development Services; Fire Dept.; and Police Dept.

City Manager Stan Farmer reported the West Water Tower project is 30% complete and on time and the Slick Rock Lift Station project is 20% complete and complimented Utilities Manager Jeff Koska on his supervision of these two projects. Mr. Farmer said he has held discussions with an AT&T representative regarding possible placement of antennas in the City either on water towers or City owned property. Councilperson Spence asked for Mr. Koska to explain why the City would not keep the existing West Water Tower in conjunction with the new one. Mr. Koska explained that due to the greater elevation of the new tank there would be hydraulic problems as well as water quality issues with two tanks. He added there has been some interest in another entity purchasing the old tank. Councilperson Babcock questioned the water usage by Cottonwood Shores and at what point they would be required to make plans for an alternative source.

12. Bid Approval for Bay West Boulevard Street Upgrade: Irene Raye Lokey had asked to speak on this item expressing concerns regarding the upgrade of Bay West Boulevard. City Manager Stan Farmer stated that Willis Engineering had researched the low bidder and gave

then an A+ rating. Tony Plumlee with Willis recommended accepting the low bid of \$504,032 from Asphalt Paving Company of Austin, Inc. Councilperson Robinson made a motion to accept the low bid from Asphalt Paving Company of Austin, Inc. The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0).

13. Request by St. Paul's Catholic Church to Close Portion of Dalton Circle in Front of Church Creating Two Cul-de-sacs: Architect Jim Heck with Fisher-Heck Architects spoke on behalf of St. Paul the Apostle Chapel regarding this request. Councilperson Babcock made the motion to approve the request to go forward with the replat noting this would require a public hearing allowing for public comment at that time. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).

14. Emergency Services Dispatch Agreement: Councilperson Lee made the motion to approve the dispatch agreement with the City of Marble Falls. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0). Mayor Lambert said if both the Horseshoe Bay and the Marble Falls City Councils approve this agreement the change can be accomplished effective July 1, 2010.

15. Conduct a Public Hearing and Possible Consideration of Preliminary and Final Plats:

- a. Replat of Lot Nos. 56 and 57 as shown on "Correction Plat of The Trails of Lake LBJ, Phase Two" recorded in Volume 15, Page 60 of the Plat Records of Llano County, Texas to be known as A Replat of Lots 56 and 57 The Trails of Lake LBJ Phase Two Llano County, Texas (122 & 124 Rock'n Robyn Trail)

Mayor Lambert convened the Public Hearing at 3:43 p.m. Lou Spellman owner of Lot No. 55, which is adjacent to this property, expressed concerns regarding the replat and asked the Council to postpone their decision until the next Council meeting. The public hearing adjourned at 3:50 p.m. Don Sherman, surveyor on this project, spoke on behalf of the developer proposing a possible compromise on this issue. No action was taken on this item. It will be on the July 6, 2010 agenda for further consideration.

16. Final Plat of Mitchell Point at Skywater, a One Lot Subdivision Classified R-1 Single Family Residential in Zone 10 Siena Creek (End of Spice Lilly but not in Skywater): Councilperson Babcock made the motion to approve the final plat. The motion was seconded by Councilperson Haydon. The motion passed unanimously (5-0).

17. Status Reports:

- a. Properties Located at 101 Jade, Lot No. W1077; 3206 Douglas Dr., Lot No. A3040; 3212 Douglas Dr., Lot No. A3037; 3305 Douglas Dr., Lot No. A1020; and 3327 Bay West Blvd., Lot No. A3024

Scott Reineking with Re/MAX of HSB stated Whitney Bank has received a letter of intent to purchase these properties however the offer is low. Mr. Reineking said he has suggested to the bank that they consider having these properties re-appraised based on their current unfinished condition. He added that all houses are dried in, all water damage has been repaired and the properties are clean and secured.

18. Status Update and Possible Consideration to Determine Whether the Following Structures Should be Declared Public Nuisances and Unlawful Under the City Code Chapter 3 Building Regulations, Article 3.04 Substandard Buildings:
- a. 1008 Hi Stirrup Units 1, 2 and 3 - Lot Nos. 23138-1, 23138-2, and 23138-3 of Horseshoe Bay Plat No. 23.8
  - b. 801 Grassy Knoll, Unit C - Lot No. 46001-C of Horseshoe Bay Plat No. 46.1
  - c. 102 Falcon, Unit 2 - Lot No. W10018-B of Horseshoe Bay Plat No. W 10.3
  - d. 1107 Fault Line, Units A, B, C, D, E, and F - Lot Nos. W16014-A, W16014-B, W16014-C, W16014-D, W16014-E and W16014-F of Horseshoe Bay West Plat No. W16.3

Development Services Manager Eric Winter said Ms. DeSpain did not end up purchasing Units 1 and 3 of the 1008 Hi Stirrup property however there is another contract on it and the sale is scheduled to close on June 16. He added the prospective buyer is aware of the required repairs and has agreed to them. The owner of Unit 2 is in the process of making the repairs to his unit and these should be completed within about a month. Christie Wutzke the owner of Unit C at 801 Grass Knoll presented a proposal to the Council to complete the repairs to her property not later than November 18, 2010. Mr. Winter reported the of owner Unit 2 at 102 Falcon has not accomplished anything on repairing his unit. Councilperson Haydon made the motion to approve an Order of Repair and direct staff to take appropriate action on Unit 2 at 102 Falcon. The motion was seconded by Councilperson Spence. The motion passed unanimously (5-0). Alicia Lowry spoke on behalf of the property owners of the units at 1107 Fault Line. She stated all of the homeowners met and reviewed the bids for repair. They received two bids that were acceptable. They should have the final bids by the end of the week. The contractors believe they can start in July once the owners make their choice. Mayor Lambert requested status reports at the next meeting from staff but did not think there was reason for property owners to attend unless there are further problems.

19. Ordinance to Amend City Code Chapter 14, Article 14.02, Section 14.02.402 Definitions by Adding Definitions for Boat Dock, Boat Slip, and Day Dock, And Amending the Definition for Boat House; Amending Section 14.02 (B) (14) (D) Regarding Boat Houses as Accessory Buildings; Amending Section 14.02.419 to Revise Subsection (B) (1) (B) Regulating Boat Houses; Renumbering Subsection (B) (1) (F) to (B) (1) (H) and Adding New Subsections (B) (1) (F) and (B) (1) (G) Providing Regulations for Boat Slips and Day Docks: Councilperson Babcock made the motion to approve the amendment as written. The motion was seconded by Councilperson Haydon. The motion passed unanimously (5-0).
20. Public Hearing and Consideration of Ordinance to Amend City Code Chapter 14, Article 14.02 Section 14.02.406 by Adding new Subsection 14.02.406 (n) to Reinstate the GUI Governmental Utility or Institutional Classification in Zone 3 Horseshoe Bay West, Zone 4A Horseshoe Bay Proper and Zone 4B Horseshoe Bay South: Mayor Lambert convened the Public Hearing at 4:18 p.m. He asked if there were any comments. There were none, and he adjourned the Public Hearing. Councilperson Robinson made the motion to approve the amendment as written. The motion was seconded by Councilperson Lee. The motion passed unanimously (5-0).
21. Ordinance to Amend City Code Chapter 14, Adding a Definition for Bar, Adding Provisions for Conditional Uses in the C-2 General Commercial Classification in Zone 3 Horseshoe Bay

West and Zone 4A Horseshoe Bay Proper, Eliminating the C-2 Classification in Zone 4B Horseshoe Bay South and Requiring Approval of a Conditional Use Permit for Bars in the C-2 Classification in Zones 3 and 4A: Councilperson Haydon made the motion to approve the amendment as written. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).

22. Ordinance Accepting Annexation Petition for a 480.57 Acre Tract from 71 Landholdings LP, A Delaware Limited Partnership by its General Partner, Cordell 71 Landholdings, LLC, A Delaware Limited Liability Company (Adjacent to the East of the Eastern Boundary of Skywater, North of Highway 71): Mayor Lambert explained this is the same annexation that was on the agenda last month however the initial petition was incorrect and is therefore invalid. The City believes this petition is correct. If the petition is accepted the City Council will propose a Planned Development ordinance within a reasonable period. Councilperson Lee made the motion to approve accepting the petition. The motion was seconded by Councilperson Haydon. Councilperson Babcock suggested the possibility of requesting a deposit from the owners during the negotiation. Mayor Lambert stated the City's Development Policy is clear that the City can request a deposit. The motion passed unanimously (5-0).
23. Interim Agreement and Amendment to Development Agreement with SW Ownership, LLC Regarding Skywater Over Horseshoe Bay: Mayor Lambert said there is nothing more to report. No check or set aside agreement has been received. Councilperson Spence made the motion to continue authority for the Mayor to sign the agreement as long as Councilperson Babcock, Monte Akers and the Mayor approve the agreement. The motion was seconded by Councilperson Robinson. The motion passed unanimously (5-0).
24. Economic Development: Councilperson Robinson proposed the City assist with some sort of incentive to a developer or grocer that would provide the type services the City desires. City Attorney Rex Baker stated the City Charter says the City can provide for economic development which provides the foundation for the City to take action. The Texas Constitution allows expenditure by the City to attract or expand business development so long as it provides a public purpose. Mr. Baker emphasized the importance of identifying the public purpose the money is to be used for. The Texas Constitution also provides that economic development needs to have consideration. This would be anything from creation of jobs, construction improvement or increased sales tax. The Texas Tax Code provides for tax abatement to attract a new business and would require designation of a reinvestment zone. The Local Government Code provides for loans and grants and does not require the reinvestment zone and authorizes municipalities to make a grant or gift of public money to promote state or local economic development and to stimulate business and commercial development in the area. Mr. Baker thought this would be the best option for the City. It would require that the City first establish a program for economic development and this could be accomplished by adopting a formal policy for providing loans or grants or by adopting a separate resolution or ordinance for a specific target or program. This is funded mostly through rebates and refunds of sales and ad valorem tax vs. abatements. The business would pay the taxes and the City would refund them back to the business. He added issuing bonds is another option. Councilperson Robinson made a motion for a resolution instructing City Manager Stan Farmer to meet with potential developers and their potential grocer clients

