

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

February 5, 1976
10:00 A.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor Friedman presiding.

Roll Call:

Present: Councilmembers Himmelblau, Hofmann, Lebermann,
Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell

Absent: None

The Invocation was delivered by DR. HAROLD KILPATRICK, First Southern Presbyterian Church.

APPROVAL OF MINUTES

Councilmember Himmelblau moved that the Council approve the Minutes for January 29, 1976. The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann,
Lebermann, Linn

Noes: None

Abstain: Mayor Friedman,

Not in Council Chamber when roll was called: Councilmember Trevino

AUSTIN INVENTORS' DAY

Mayor Friedman read and then presented a proclamation to Mr. Frank Vaden, State Bar of Texas, proclaiming February 11, 1976, as "Austin Inventors' Day" and called on all citizens to recognize the many important contributions of American inventors to our way of life. Mr. Vaden expressed his appreciation on behalf of all of the inventors throughout the nation and felt that this proclamation attested to Austin's concern for inventors.

AMERICAN FREEDOM TRAIN WEEK

Mayor Friedman read and then presented a proclamation to Ms. Karen Telesko proclaiming the week of February 12-18, 1976, as "American Freedom Train Week" and urged all residents to visit the train during its Austin stay to see these valuable, patriotic displays, and asked all citizens to join him in supporting Austin's Bicentennial Commission and the American Freedom Train Foundation, Inc., for bringing the American Freedom Train to Austin. Ms. Telesko thanked the Council on behalf of the American Freedom Train and for the invitation to come to Austin, and she invited everyone to the show.

EARLY CANCER DETECTION WEEK

Mayor Friedman read and then presented a proclamation to Dr. Tad Davis proclaiming the week of February 4-10, 1976, as "Early Cancer Detection Week" and urged that residents attend the free cancer detection clinic, or go to private physicians for health checks, and called on all residents to join him in honoring the cooperating organizations in the local cancer detection clinic for the role they are playing in providing improved health care for Austin citizens. Mayor Friedman stated that there was no greater gift than that of good health, and felt that this detection treatment and the organization sponsoring it should be commended. Dr. Davis thanked the Council and stressed the importance of early cancer detection.

PEOPLE'S COMMUNITY CLINIC DAY

Mayor Friedman read and then presented a proclamation to Ms. Janet Burris from the People's Community Clinic proclaiming February 8, 1976, as "People's Community Clinic Day" and urged all residents to join him in the recognition and support of this genuine example of the spirit of people serving people. Ms. Burris presented Mayor Friedman with a T-shirt to wear to the benefit being held at the Armadillo World Headquarters to raise financial assistance for the People's Community Clinic, and invited everyone to attend.

ZONING HEARINGS

Mayor Friedman announced that the Council would hear the zoning cases scheduled for public hearing at this time. Pursuant to published notice thereof, the following zoning applications were publicly heard:

W. HUGH LOONEY
C14-75-124

4100 Avenue D,
also bounded by
West 41st Street

From "B" Residence
1st Height and Area
To "A" Residence
1st Height and Area
RECOMMENDED by the Planning
Commission

Mr. Dick Lillie, Director of Planning, reviewed the area by way of slides and noted that this application was part of a condition set by the Council about one month ago on a special permit in Hyde Park. Mrs. Walter Richter, Hyde Park Neighborhood Association, stated they were for this change.

Mayor Pro Tem Snell moved that the Council grant "A" Residence, 1st Height and Area as recommended by the Planning Commission. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman
Noes: None

The Mayor announced that the change had been granted to "A Residence, 1st Height and Area, and the City Attorney was instructed to draw the necessary ordinance to cover.

NELSON PUETT, JR.
By Rodney
Sheppard
C14-75-130

5330 Manchaca Road

From "GR" General Retail
1st Height and Area
To "CG-1" Commercial
1st Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Linn moved that the Council grant "C-1" Commercial, 1st Height and Area, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell
Noes: None

The Mayor announced that the change had been granted to "C-1" Commercial, 1st Height and Area, and the City Attorney was instructed to draw the necessary ordinance to cover.

MICHAEL R. WALSH
AND CHARLES BURKS
C14-75-120

503 West 38th
Street

From "A" Residence
1st Height and Area
To "O" Office
1st Height and Area
RECOMMENDED by the Planning
Commission, subject to a
restrictive covenant prohibit-
ing removal of existing
structure and 5 feet of right-
of-way on West 38th Street

Mr. Lillie reviewed the application and noted that the applicant was not agreeable to the retention of the building.

MR. MICHAEL WALSH commented that his contention involved the problem of having to return to the Council and ask for a zoning change if the property was ever sold. In response to Mayor Friedman's question, Mr. Walsh noted that the house was approximately 50 years old and the office to the west 5 or 6 years old. Councilmember Himmelblau stated that it is 10 or 12 years old.

STROUD KELLY, representing the North University Neighborhood Association, stated their concern involved the character of 38th Street. He commented that the applicant was not present at the zoning hearing and felt that it was too late to say that they would be harmed if the structure remains on the property. Mr. Kelly indicated that the association was not inclined to accept any type of zoning in this area unless a site plan is submitted first. He asked that the zoning be granted only if this is agreed to or just deny it.

Councilmember Himmelblau asked if the Council could tie any future development to a site plan and special permit if anything were to happen to the structure. MR. JAN KUBICEK, Assistant City Attorney, stated that this could be done.

JANICE LINDER, a member of the Hyde Park Neighborhood Association, noted that the association wanted the opportunity to look at the lot if the house is moved. She commented that there is a traffic problem and the area is a high density one.

JIM ROCK, a member of the association, stated that another concern of the association was that if the house did not have the restrictive covenant on it, then if other property in the area is sold, it would not have this covenant either and could possibly begin to change the character of the neighborhood.

Mr. Walsh indicated that the house is isolated from the neighborhood and felt it would not change the character of the neighborhood.

Councilmember Himmelblau moved that the Council grant "O" Office, 1st Height and Area, as recommended by the Planning Commission, subject to conditions and with the stipulation that a site plan be tied to a special permit on any change. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino, Mayor Pro
Tem Snell, Mayor Friedman, Councilmember Himmelblau
Noes: None

The Mayor announced that the change had been granted to "O" Office, 1st Height and Area, subject to conditions and with the stipulation that a site plan be tied to a special permit on any change, and the City Attorney was instructed to draw the necessary ordinance to cover.

TOWNSEND DEVELOPMENT
COMPANY, INC.
By John B. Selman
C14-75-125

1200-1208 West 49th
Street, also bounded
by Grover Avenue

From "A" Residence
1st Height and Area
To "O" Office
1st Height and Area
RECOMMENDED by the Planning
Commission, subject to a 5-
foot utility easement and a
2-foot landscaped area along
West 49th Street and a privacy
fence along the north boundary
where adjacent to residential
area.

Mr. Lillie reviewed the area and noted that the need for additional right-of-way is not required, and the applicant did agree with the conditions.

Councilmember Linn moved that the Council grant "O" Office, 1st Height and Area, as recommended by the Planning Commission, subject to conditions. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Friedman,
Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann

Noes: None

The Mayor announced that the change had been granted to "O" Office, 1st Height and Area subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

GEORGE J. SHIA
By John B. Selman
C14-75-123

5511-5519 Sunshine
Drive

From "B" Residence
1st Height and Area
To "O" Office
1st Height and Area
RECOMMENDED by the Planning
Commission, subject to a
right-of-way trade along
subject tract to establish
60-feet of right-of-way on
Sunshine Drive.

Mr. Lillie pointed out the right-of-way that would be required on the north portion of the tract and right-of-way to be vacated on the south portion of the tract.

After meeting with Mr. Joe Morahan, Director of Property Management, Mr. Lillie stated that the process is to file an application for vacation; however, in this case there is more land being dedicated for streets than there is for vacation. The applicant noted his agreement with the conditions.

Councilmember Hofmann commented that this location is near a high school and felt it will be an excellent location for an orthodontist.

MR. JOHN SELMAN, representing the applicant, stated that the Austin Independent School District is not opposed to the change in zoning. He felt that this type of zoning would be logical for the area and would be an asset to the neighborhood.

In response to Councilmember Himmelblau's question as to the number of offices to be located on this tract of land, Mr. Selman indicated that at the present time, there would only be one office. Councilmember Himmelblau stated that she was concerned with the amount of traffic that would be generated by the office.

MR. BILL JOSEPH felt that the area was already congested and the addition of this office would only add to the congestion. He was opposed to this zoning change.

In response to Councilmember Hofmann's question concerning the one office, Mr. Joseph felt that in the future there would be more buildings of this type added to the proposed structure. In response to Councilmember Linn's question as to the use of Mr. Joseph's property, Mr. Joseph commented that he owned a cafe and a car lot.

MR. JOE TERNUS, Director of Urban Transportation, stated that the proposed structure would not generate an excessive amount of traffic on Sunshine Drive, and if it did then some type of restrictions could be installed.

In response to Mayor Friedman's question about the number of apartments that could be placed in this location, Mr. Lillie noted that based on the current zoning there could be approximately 60 to 80 units built. He indicated that this would generate more traffic if apartments were built.

Councilmember Linn moved that the Council grant "O" Office 1st Height and Area, as recommended by the Planning Commission, subject to conditions. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Linn, Trevino, Mayor Friedman,
Councilmembers Himmelblau, Lebermann
Noes: Mayor Pro Tem Snell
Abstain: Councilmember Hofmann

The Mayor announced that the change had been granted to "O" Office, 1st Height and Area, subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

HOWARD R. BARR, ET AL
C14-75-122

904-906 Rio Grande
Street
703-705 West 10th
Street

From "B" Residence
2nd Height and Area
To "O" Office
2nd Height and Area
RECOMMENDED by the Planning
Commission subject to a
restrictive covenant
prohibiting the removal of
existing residential structure.

Mr. Lillie submitted that there are three lots involved in this zoning change and that the character of the zoning has changed since the original zoning was established some time ago. The applicant does not agree with the restrictive covenant that prohibits removal of the structure.

In response to Councilmember Linn's question concerning the zoning not being granted, Mr. Lillie commented that the structure could be removed and that apartments could be built on the property. As to the neighborhood association's reaction to this change, Mr. Lillie noted that Mr. Ted Siff, representing the West 9th Street Partnership, recommended it with the conditions. However, Mr. Siff was addressing his remarks as the owner of the partnership and not as the President of the association.

In response to Councilmember Himmelblau's question as to the trend of zoning in the area, Mr. Lillie stated that the trend has been from "B" Residence to "O" Office, and it is basically a residential area.

TOM CURTIS, representing the applicant, suggested that the applicant would be acceptable to the restriction of not removing the building if the zoning would revert to "B" Residence 2nd Height and Area. As long as the "O" Office use is being employed on the property, the restriction is no problem; however, if at a future date the building is removed, the zoning would revert to "B" Residence zoning.

Councilmember Linn moved that the Council grant "O" Office, 2nd Height and Area, as recommended by the Planning Commission, subject to conditions, and that the property would revert back to "B" Residence, 2nd Height and Area, if not used for "O" Office, 2nd Height and Area. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn

Noes: None

Not in Council Chamber when roll was called: Councilmember Trevino

The Mayor announced that the change had been granted to "O" Office, 2nd Height and Area subject to conditions and that the property would revert back to "B" Residence, 2nd Height and Area if not used for "O" Office, 2nd Height and Area, and the City Attorney was instructed to draw the necessary ordinance to cover.

NORTH INDUSTRIAL
DISTRICT 2
By Planning Department
C14-75-127

9000-10731 F.M. 1325
9061-9239 Research
Boulevard (US 183)
also all of Longhorn
Boulevard, Industrial
Terrace, Neils
Thompson Drive, Reed
Drive, Business
Drive and United
Drive

From Interim "AA" Residence
1st Height and Area
To "D" Industrial
1st Height and Area
RECOMMENDED by the Planning
Commission, subject to a 25-
foot scenic area in which no
buildings, parking areas,
signs or business use of any
kind, except access driveways
and landscaping shall be
allowed along F.M. 1325,
Research Boulevard and proposed
Loop 360, and a building
setback from the proposed
right-of-way for Loop 360 to
be determined by property
owners.

Mr. Lillie noted that this area was a part of the recently annexed area and a series of meetings were held with representatives and members of the City staff concerning City services and ordinances, including zoning to answer any questions the property owners might have. As stated, there are two conditions with this recommendation and some of the properties along Highway 183 already encroach into the 25-foot area and would not be able to come into conformance with the 25-foot of scenic area if the Council requires it. He indicated that Glastron Boat Company has two parking lots already in use at the present time and were there when the property was annexed. The application has been recommended with the conditions, and the property owners that face the two highways have been notified as to the 25-foot setback.

MR. WILLIAM GASTON, representing two of the owners that represent approximately 50% of the frontage facing 183, stated that he was not opposed to the zoning change, but was opposed to the restrictive covenant. This covenant would eliminate the customer and employee parking of businesses. If at some future date either 183 or 1325 is widened to the proposed lines, this widening and the additional 25-foot easement would in some cases eliminate all of the present parking. Mr. Gaston submitted a petition with 8 property owners opposing the 25-foot easement. Mr. Lillie pointed out that if a property owner objects, that it would require six votes of the Council to overturn the condition.

Mr. Gaston also indicated that a telegram was sent representing the Texas Nuclear property opposing the change.

In response to Councilmember Himmelblau's question regarding the effect the 25-foot would have, Mr. Lillie noted that it would create a hardship on the industries. Councilmember Himmelblau felt that this was something that should be considered in the future for new development, not for existing structures.

Mr. Lillie stated that the present ordinances state that no buildings will be placed within the front 25 feet, and the new Sign Ordinance states that all new signs shall be placed 25 feet back from the property line.

Councilmember Lebermann moved that the Council grant "D" Industrial, 1st Height and Area, as recommended by the Planning Commission, subject to conditions, but delete the requirement for the 25-foot scenic area. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

The Mayor announced that the change had been granted to "D" Industrial, 1st Height and Area District, subject to conditions, but delete the requirement for the 25-foot scenic area, and the City Attorney was instructed to draw the necessary ordinance to cover.

TEXAS INSTRUMENTS
INDUSTRIAL DISTRICT
By Planning Department
C14-75-128

12127-12553 U. S.
Highway 183, also
bounded by McNeil
Road

From Interim "AA" Residence
1st Height and Area
To "D" Industrial
1st Height and Area
RECOMMENDED by the Planning
Commission, subject to 50 feet
of "A" Residence zoning and
100-foot building setback where
adjacent to Summit Oaks and
Angus Valley Subdivisions and
a 25-foot scenic area in which
no building, parking areas,
signs or business use of any
kind, except access driveways
and landscaping shall be
allowed on U. S. Highway 183
and McNeil Road.

Mr. Lillie commented that representatives were contacted and discussed the various buffers that could be set on the property. Buffers for the east end and south end were of concern since they abut subdivisions. The setbacks as recommended by the Planning Commission are agreeable, but there is a sign already in place; however, the sign can remain and the new Sign Ordinance is in effect, so far as being able to write off the cost of the sign in the next 15 years. Therefore, the industry is in agreement with the 25 feet as long as the sign can remain.

MR. DICK BAKER, representing Texas Instruments, commented that the conditions set forth are satisfactory with Texas Instruments and will execute a covenant with the conditions.

Mayor Pro Tem Snell moved that the Council grant "D" Industrial, 1st Height and Area, as recommended by the Planning Commission, subject to conditions. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman
Noes: None

The Mayor announced that the change had been granted to "D" Industrial, 1st Height and Area District, subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

EAST INDUSTRIAL
DISTRICT
Tracor & Motorola
tracts only
C14-75-126

3000-4800 Blocks of
Ed Bluestein Boule-
vard, 6000-6807
Martin Luther King,
Jr., Boulevard

From Interim "AA" Residence
1st Height and Area
To "D" Industrial
1st Height and Area
(Tract 1) as amended and
"E" Heavy Industrial
1st Height and Area
(Tracts 2 and 3)

RECOMMENDED by the Planning
Commission as amended, subject
to the following conditions:

Tracor property - 35 feet of "A" Residence zoning and a 100-foot building setback where adjacent to Craigwood Subdivision and a 25-foot scenic area along Ed Bluestein Boulevard in which no buildings, signs, parking areas or business use of any kind, except access driveways and landscaping shall be allowed; Motorola property - 50 feet of "A" Residence zoning and a 100-foot building setback where adjacent to residential area and a 25-foot scenic area along Ed Bluestein Boulevard as described above.

Mr. Lillie commented that this included the Tracor and Motorola property and had met with representatives from both industries. The Craigwood subdivision submitted a petition with only 5 property owners within 200 feet signing it. Therefore, the petition would not be valid, but of the 131 properties in

the Craigwood subdivision, 65 owners did sign the petition. The concern of the residents was the recommendations to grant "E" Heavy Industrial zoning for two small areas within the property. The two buildings are already in place and are used for storage of small explosive devices. In this type of situation, the ordinance does require that "E" Heavy Industrial District be established. Any change in intensity in activity in the areas would have to be approved by the Board of Adjustment.

The discussion regarding the setbacks revealed no opposition from the property owners.

Mayor Pro Tem Snell expressed concern regarding the small explosives, and Mr. Dick Baker, representing Tracor stated that the explosives used are similar to the cherry bomb firecrackers with about the same degree of intensity. This type of explosive has been used by Tracor since its inception and is not a change from past operations.

In response to Councilmember Linn's question as to the capacity of the explosives, MR. RUSSELL PAINT, counsel for Tracor, indicated that the buildings are not close together so it would be unlikely that all of them would burn at the same time. The houses are metal and are inspected by the government periodically. Also stored in the houses are some flare materials that do not explode. Mr. Paint noted that the neighbors were aware of the explosives and Mr. Baker pointed out that there were no real objections.

Mr. Lillie stated that any change in condition with respect to activity would have to be presented to the Board of Adjustment. Mr. Baker noted that Tracor is aware that they must deal with the Board of Adjustment in connection with the use of the explosives.

Councilmember Himmelblau moved that the Council grant "D" Industrial, 1st Height and Area District (Tract 1) as amended and "E" Heavy Industrial, 1st Height and Area District (Tracts 2 and 3) as recommended by the Planning Commission, subject to conditions. The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Trevino,
Mayor Friedman

Noes: Mayor Pro Tem Snell

Abstain: Councilmember Linn

The Mayor announced that the change had been granted to "D" Industrial, 1st Height and Area District (Tract 1) as amended and "E" Heavy Industrial, 1st Height and Area District (Tracts 2 and 3) subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

ERIC NEELY, ET UX
By Edward Jennings
C14-75-121

1017 Aggie Lane

From "A" Residence
1st Height and Area
To "B" Residence, 2nd H&A
NOT RECOMMENDED
RECOMMENDED by the Planning
Commission "B" Residence, 1st
Height and Area subject to a
restrictive covenant limiting
the number of units constructed
to three.

Mr. Lillie reviewed the location of the application and stated that the Planning Commission felt that the street, being a dead-end street and some access to the street already with apartments in the area, would create a traffic problem. The limitation would be more in line with the capacity of the street to accommodate the traffic.

MR. EDWARD JENNINGS, representing the applicants, distributed the plot plan of the property in order to bring it into perspective. He felt that with the amount of area already present, the development is restrictive and parking would be limited. Mr. Jennings was requesting that the area be developed as outlined in the existing codes because if it is restricted then it would preclude future ability of anyone to join it with the other two lots. He felt that this covenant could cause someone to ignore the lot and buyers would be deterred. Mr. Jennings indicated that the owners needed to market the property and were asking that the zoning be granted without the restrictive covenant. In response to Mayor Friedman's question, Mr. Jennings noted that there is a prospective buyer that is interested in the property if there are no restrictions.

In response to Councilmember Linn's question as to the objection of "B" Residence, 1st Height and Area District with no restrictions, Mr. Lillie stated that the dead-end street situation and the number of units that could be placed on that street would create a traffic problem.

MRS. EDWORTH CARTER, a resident in the area, commented that the street is already too congested without the addition of any more apartments, and would like the area kept as quiet as possible. She urged the Council to deny the request.

Councilmember Linn moved that the Council grant "B" Residence, 1st Height and Area District, as recommended by the Planning Commission, subject to conditions. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Mayor Friedman,
Mayor Pro Tem Snell, Councilmember Himmelblau

Noes: None

Not in Council Chamber when roll was called: Councilmember Trevino

The Mayor announced that the change had been granted to "B" Residence, 1st Height and Area District, subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

AUSTIN SAVINGS &
LOAN ASSOCIATION
By Jay Royce
Hailey, Jr.
C14-75-129

6901-6915 Manchaca
Road; 1900-1952 and
1901-1921 William
Cannon Drive, also
bounded by Cannon-
league Drive

From Interim "A" Residence
1st Height and Area
To "C" Commercial
1st Height and Area
NOT RECOMMENDED
RECOMMENDED by the Planning
Commission "O" Office, 1st
Height and Area (Tract 1) and
"GR" General Retail, 1st
Height and Area (Tract 2)
subject to 5 feet of right-of-
way on Cannonleague Drive, 10
feet of right-of-way on
Manchaca Road, a 20-foot
landscaped strip (after right-
of-way) of "A" Residence
zoning along Cannonleague
Drive, a 6-foot privacy fence
along the western edge of the
"A" Residence strip, a 40-foot
building setback along Cannon-
league Drive and a privacy
fence on the north boundary
of Tract 1.

Mr. Lillie viewed the area by use of slides and noted that the conditions were agreeable to the applicant.

Councilmember Linn moved that the Council grant "O" Office, 1st Height and Area (Tract 1) and "GR" General Retail, 1st Height and Area District (Tract 2) as recommended by the Planning Commission, subject to conditions. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmember Lebermann, Linn, Mayor Friedman, Mayor
Pro Tem Snell, Councilmembers Himmelblau, Hofmann

Noes: None

Not in Council Chamber when roll was called: Councilmember Trevino

The Mayor announced that the change had been granted to "O" Office, 1st Height and Area District (Tract 1) and "GR" General Retail, 1st Height and Area District (Tract 2) subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

NASH PHILLIPS-
COPUS
By Thomas B. Watts
C14-73-006

Coronado Hills
Drive and Old
Town Drive

Request to revise "OLD TOWN",
PHASE TWO, a previously
approved planned unit develop-
ment, reducing the number of
dwelling units from 76 to 72.
RECOMMENDED by the Planning
Commission

Councilmember Himmelblau moved that the Council grant the request to revise "OLD TOWN" PHASE TWO, reducing the number of dwelling units from 76 to 72, as recommended by the Planning Commission. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem
Snell, Councilmembers Himmelblau, Hofmann, Lebermann,
Linn

Noes: None

The Mayor announced that the request had been granted to reduce the number of dwelling units from 76 to 72, and the City Attorney was instructed to draw the necessary ordinance to cover.

ZONING DENIED

MARY LOU SHIRER
By Phillip Spies
C14-75-112

981 Stobaugh Street

From "A" Residence
1st Height and Area
To "C" Commercial
1st Height and Area
NOT RECOMMENDED by the Planning
Commission

Mr. Lillie noted that this property fronts on Stobaugh which is a 50-foot residential street and made up of small residential homes. The property to the east and to the north of the subject tract is still zoned "A" Residence. The Planning Commission did not recommend "C" Commercial zoning.

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MARY LOU SHIRER, owner of the property, presented pictures of the area and indicated that since 1972 the area has been slowly changing to commercial property. She stated that there were no owner-occupied houses for sale in the area, and felt the residential character was not present. Mr. Metropolis submitted a letter for Mrs. Shirer to read stating his request that the zoning be granted. Approximately four years ago the City appraised the 5.9 acres as commercial property and she felt that the City did not think, at that time, that the area was residential. She felt that the area could be made beautiful if the commercial zoning was uniform.

In response to Councilmember Hofmann's question concerning the intended use if the "C" Commercial zoning was granted, Mrs. Shirer stated she was not sure what the prospective buyer plans for the property.

Councilmember Linn moved that the Council uphold the recommendation of the Planning Commission and DENY the zoning change. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Linn, Trevino, Mayor Friedman,
Councilmember Hofmann

Noes: Mayor Pro Tem Snell, Councilmember Lebermann

Abstain: Councilmember Himmelblau

The Mayor announced that the change had been DENIED.

Councilmember Himmelblau commented that she has business interests in the area.

WATER AND WASTEWATER ITEMS

RATE ORDINANCE

Mayor Friedman stated that the Council would now discuss the Water and Wastewater rates as discussed in the Budget last September.

City Manager Davidson indicated that MR. JOE LIRO, Director of Management and Budget Administration, would present the options contained in the original report as well additional options that were developed after suggestions were received by Mayor Friedman and the Council.

Mr. Joe Liro stated that the six options that were discussed are each designed to place the water and wastewater utility on a self-sustaining basis. The six options differ in how quickly the costs are recovered. Two of the options would recover the costs on a year-by-year basis and would commit the City to 3 years of slower increases. Another two sets of options are designed to recover 3 years deficits through 1 year's worth of rate increases. The most recent calculations are designed to recover 2 years worth of deficits with 1 year's worth of increases. The last option involves a 26% increase and projects no need for an increase the next fiscal year.

JOE RIDDELL felt that the matter should have been discussed as a public hearing and that the options for the combined increase should not be adopted since it would cause difficulty in trying to figure the cost of each utility.

Mr. Riddell pointed out several limitations that he felt were done by Mr. Liro concerning the rates and it was these limitations and a suggestion from Mr. Riddell that he felt would merit the delay of considering the passage of the ordinance providing for increased water and/or wastewater rates. He was concerned with the following points of the analysis:

1. The assumption that 34 million dollars worth of bonds would be sold in the next 2 years.
2. Deferring the payment of principal on the bonds.
3. The inconsistency with this analysis and the tap fees and capital increment charges.
4. New customers will also pick up their share of the existing debt.

Mr. Riddell indicated that the current water and wastewater fees are not flat and should be and felt the rates should be flattened first, then the necessary increases done in order to reduce the percentage increase that is left with the homeowner. Due to the many unanswered questions that Mr. Riddell was concerned with, he requested that the Council delay any action on this until the questions could be resolved.

MR. DOUGLAS LAYCOCK, representing Mrs. Burmah Hunt, referred to a report that he had prepared concerning the water and wastewater rates. He stated that the staff recommendation is an across the board percentage increase and it assumes that the pre-existing rate structure is fair and equitable; that costs of all types of service increased proportionately, but none of these assumptions are supported. In referring to the minimum monthly charge for water and wastewater service in Texas cities, the combined minimum charge for Austin that is being proposed is \$5.22; this would show that Austin has the highest minimum charge compared with ten other cities in Texas. For this minimum charge, Austin would provide one of the smallest number of gallons than any of the other ten cities. In Mrs. Hunt's case this would mean she would be paying \$13.00 per 1,000 gallons; middle class homeowner using 4,000 gallons would pay \$2.00 per 1,000; and industry using 2,000,000 gallons would pay \$1.00 per 1,000 gallons. He felt that the \$13.00 figure was not fair to impose on people that are least able to afford it. Mr. Laycock stated that he was informed by Mr. Monty Nitcholas, Director of Finance, that by eliminating the minimum charge it would cost the City \$260,000 and would amount to approximately .07¢ per Austinite a month.

In referring to Mr. Nitcholas' figure, it is assumed that the average use of all those using between 0 and 1,000 gallons is 500 gallons. Mrs. Hunt uses 400, and surely not many people use that little. Average for this group would be 800 or 900, so revenue wouldn't drop as much as Mr. Nitcholas thinks.

Mr. Laycock commented that the staff has said that the minimum charge is the cost of service whether or not any water is used, but no other city charges as much. He felt that the matter of which costs to allocate per customer and which per gallon is a policy judgment, not a matter of technical fact. He urged the Council to consider the question of just how the revenue should be allocated and what groups it should be gathered from.

Mayor Friedman suggested that any rates passed now or later would not be effective until 45 days from implementation and felt that this matter was a separate policy decision on how to adjust the minimum end. This type of information can be obtained in the form of a policy to be adopted before the implementation of the rates within the next 45 days if action is taken today. He felt this should be dealt with as a separate policy decision. Mr. Laycock was in agreement with Mayor Friedman's remarks and just wanted the matter addressed.

Mayor Friedman noted that the staff could be instructed to complete this report and present it to the Council in 30 days which would be before the implementation of any rates could take effect. Mr. Laycock stated he would be willing to cooperate.

Mr. Liro pointed out that he was not completely satisfied with the figures that Mr. Laycock had presented and that the figures combined two different types of cost for the water system. Some of the cities are in the surface water business and some are in the well water business. The minimum of the rate structure is not the only critical aspect of the rate structure, but the formulas are different for various cities in the direction of how their revenue is collected. Mr. Liro felt that the suggestion of minimums being based on the same rationale was not fair.

Mayor Friedman stated that possibly this should be part of the study that would be completed in the next 30 days. Mr. Laycock urged the Council to address the problem in terms of a social problem for people who are having to pay the rates.

MR. KEN ZIMMERMAN, Executive Officer with the Austin Association of Homebuilders, was representing the housing industry in Austin, and wanted to thank the Council for the opportunity to appear. He noted that members of the association realized the problems facing Austin were a result of the failure of the Bond Election. The proposed increases are a difficult decision for the Council and stated that the Austin Association of Homebuilders supported this proposal.

RICHARD HAMMER addressed his remarks to rate increases and commented that the increases anticipate 34 million dollars of new bond indebtedness.

Mayor Friedman commented that it was made very clear that a rate increase was included in the budget to cover all of those contingencies as outlined in the budget, and there would be no further rate increases.

Mr. Hammer indicated that over the past several months statements had been made about varying percentages of what type of rate increases would be necessary. The rate increase that is proposed was available for the public to see only eight days ago, and felt that this differs quite distinctly from the procedure that a private utility has to follow in obtaining any increase. He felt this was not a sufficient amount of time for the public to examine the proposed rates.

City Manager Davidson did not agree with Mr. Hammer on his remarks and stated that the Council did not wait intentionally until now to consider the recommended increase. Although the percentage increase was not reflected in the recommended budget document, the total dollar amount was. Mr. Davidson

commented that the staff had requested more time to create a percentage so the Council would know how much could be allocated toward tap fees and other charges as opposed to increases on a percentage basis to the current customer. He felt that the statement of Mr. Hammner was inaccurate.

Mr. Hammner felt that this proposal should be delayed until a public hearing could be held.

Mayor Friedman submitted that the budget had been approved by the Council knowing that an increase would be necessary by the passage of the budget and the money was needed to keep the City solvent. There was adequate notification and representation from the media and every Councilmember has been inundated with comments from citizens.

MR. KEN McHAM was concerned with various aspects of the budget and felt there were several questions that had not been answered and that the people should be given adequate information. He requested that this proposal be delayed to allow these questions to be answered.

Mayor Friedman introduced the following ordinance:

AN ORDINANCE PRESCRIBING AND LEVYING RATES AND CHARGES FOR SALES MADE AND SERVICES RENDERED IN CONNECTION WITH THE WATER SYSTEM AND THE WASTEWATER SYSTEM OF THE CITY OF AUSTIN FOR ALL USES OF SUCH WATER AND WASTEWATER CONNECTIONS AND FACILITIES; REPEALING ALL ORDINANCES, RESOLUTIONS, AND ORDERS IN CONFLICT HEREWITH; AND DECLARING AN EMERGENCY.

Councilmember Trevino moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance effective immediately. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Mayor Friedman, Councilmembers Himmelblau, Hofmann,
Lebermann, Trevino

Noes: Mayor Pro Tem Snell, Councilmember Linn

The Mayor announced that the ordinance had been finally passed. Councilmember Trevino's motion also included that the City Manager be instructed to complete the study on minimum usage and present the report to the Council on March 4, 1976.

Councilmember Linn commented she was unaware that this was not listed as a public hearing and felt that the advertising possibly had been inadequate. For this reason, she voted "no."

ORDINANCE TO CONSIDER INCREASED WATER AND/OR WASTEWATER
TAP FEES

The Council then discussed the proposed ordinance providing for increased water and/or wastewater tap fees. Mr. Joe Liro reviewed the City's policy in recovering direct and indirect costs of water tap fees and wastewater connection charges. In order to maintain it at its present level, he recommended that the water connection fees be increased according to the cost of the particular service. This would represent a \$65.00 increase in residential water service connection. Also recommended for an increase was the cost of the wastewater connection charge from \$150.00 to \$190.00. These adjustments would maintain the City's service cost.

Capital increment fees were also discussed that would be an addition to the tap fees and designed to recover a portion of the City's investment in plant which is necessitated by the addition of the new customer. At a capital increment level of \$200.00 for the water tap and \$200.00 for the wastewater tap, the City would be able to produce revenues annually in excess of \$1 million. Another option to consider would be the subdivision review and inspection fee that would recover some of the cost of the Engineering and the Water and Wastewater Departments.

Mr. Ken Zimmerman noted his appreciation for the work that had been involved in preparing the studies, and the members of the Austin Association of Homebuilders supported this increase in water and wastewater tap fees.

Mr. Richard Hammner was concerned that the tap fees did not reflect the fact that there is a differing cost in connecting and tapping into the water system in different areas of the City. He felt that the Council should examine the actual cost of tapping in varying areas.

Mayor Friedman stated that one of the items for study is the capital increment fee and after this study, there will probably be the need for an additional capital increment fund to make sure what the City expends on the tap fees.

Mr. Joe Riddell felt that the capital increment should be studied and that the figures were too low.

Mayor Friedman felt that a 30-day delay would be appropriate to discuss this.

Bill Gurasich stated he had requested the opportunity to allow the increment fees and rates to be studied and would be in contact with the speakers to obtain their thoughts concerning this process.

Mayor Friedman suggested that a delay would not be out of the question for the increment fees and that it be delayed until March 4.

Mayor Friedman introduced the following ordinance:

AN ORDINANCE PRESCRIBING AND LEVYING RATES AND CHARGES FOR CONNECTIONS TO THE WATER SYSTEM AND THE WASTEWATER SYSTEM OF THE CITY OF AUSTIN FOR ALL USES OF SUCH WATER AND WASTEWATER CONNECTIONS AND FACILITIES; REPEALING ALL ORDINANCES, RESOLUTIONS, AND ORDERS IN CONFLICT HERewith; AND DECLARING AN EMERGENCY.

Councilmember Trevino moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance effective immediately; and postpone until March 4, 1976, any action on the proposed capital increments and the proposed subdivision review fees. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman

Noes: None

The Mayor announced that the ordinance had been finally passed.

PRIORITIES FOR THE 1975-80 CAPITAL IMPROVEMENTS PROGRAM

Motion

Councilmember Trevino moved that the following water and wastewater projects be deemed as top priorities and acted upon accordingly with existing bond funds:

1. Upper Walnut Creek Lift Station
2. Williamson Creek Plant
3. Partial construction of West Austin Transmission Main
4. South Austin Pumping
5. Anderson Mill Road Main
6. Community Development District #1

The motion was seconded by Councilmember Himmelblau.

Mr. Richard Hammner felt that the definition of planned growth was not very clear especially since the afore-mentioned items were being voted on today and do have growth implications. He felt there were several items that have not been clarified concerning the priorities, and that more time should have been given for the public to examine this matter. Joe Riddell felt that the priorities should be studied more closely. Mr. Ken Zimmerman stated his support of the priorities and urged passage as recommended.

Roll Call on Motion

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Trevino, Mayor Friedman, Mayor Pro Tem Snell

Noes: Councilmember Linn*

*Councilmember Linn stated that there is a very limited amount of money and it should be used in the City limits for the taxpayers, and that priorities should be in the City limits.

Mayor Friedman commented that there was an obligation to the ratepayers outside the City limits for service, and these projects were approved by the Council last fall and are critical.

SUSPENDING THE ISSUANCE OF WATER AND/OR WASTEWATER TAPS

The Council had before it for consideration another water and wastewater item concerning the suspension of the issuance of water and/or wastewater taps within areas of the water and wastewater utilities service area where the respective system is not capable of handling additional demands.

MR. HOMER REED, Deputy City Manager, referred to the proposed resolution that would authorize the staff to refuse any sewer taps or water taps if necessary; however, if the City cannot provide the service, the owner or developer could provide the necessary improvements to enable the City to provide the service and then could receive the tap at the developer's or owner's expense.

Mayor Friedman pointed out that individuals still have the right to appear before the Council and request that a suspension be removed.

MR. SID JAGGER expressed concern with the resolution because he has been attempting to get a building permit in the Barton Creek area and has not been able to obtain it. The area was zoned and annexed in 1974 and reviewed the history of the area. On January 13 a permit was applied for which was not granted and was informed on January 29 that he would not be given this permit due to the new policy. The lift station in question would accommodate the proposed apartments, and Mr. Jagger felt that since the permit was applied for prior to the new policy that it should be granted.

Mayor Friedman was concerned with the capability of being able to serve the area. Mr. Homer Reed noted that the City engineers have stated that this development could not be served without overflowing the lift station.

Mayor Friedman suggested that the concerned parties meet and see just what would be needed to provide this service. Mr. Reed commented that he was working toward a solution to present to the Council to hopefully solve the problem.

Councilmember Linn was concerned that the developers were allowed to invest money when there was not the capacity for the development. Mr. Reed noted that the capacity was based on the passage of the bonds and did not anticipate the failure of the bonds. Therefore, development was permitted without the actual capacity to serve it. City Manager Davidson indicated that this was not unusual and it had been done many years. These projections are made based on staff recommendations. Councilmember Linn felt that if services could not be provided then there should not be any development. Mr. Reed stated that in the future if there is not sufficient money or the facility on the site, the Water and Wastewater Department will not certify to the Planning Commission that the area can be served.

Mr. Jagger submitted that the lift station is inadequate already, and if the Bond Election had passed, the relief for this problem would have been two years away. Mr. Davidson stated that this would be discussed with Mr. Jagger at a later date, but would not recommend that this be decided on today.

Councilmember Linn moved that the Council adopt a resolution suspending the issuance of water and/or wastewater taps within areas of the water and wastewater utilities service area where the respective system is not capable of handling additional demands. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Councilmembers Hofmann, Linn, Trevino, Mayor Friedman,
Mayor Pro Tem Snell
Noes: Councilmembers Lebermann, Himmelblau

Councilmember Lebermann felt that this should come directly to the Council rather than as an appeal mechanism, so the Council would know where the problems are on a per item basis.

CONTRACT AWARDS

Councilmember Himmelblau moved that the Council adopt a resolution awarding the following contract:

AUSTIN ENGINEERING COMPANY P. O. Box 3255 Austin, Texas	- Installation of 188 feet of 24-inch water line, 132 feet of 16-inch water line and 158 feet of 12-inch water mains and appurtenances for Jollyville Reservoir Pump House - \$82,278.00
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The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Lebermann, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann
Noes: Councilmember Linn

Councilmember Himmelblau moved that the Council adopt a resolution awarding the following contract:

JOE McDANIEL 7415 Brodie Lane Austin, Texas	- Installation of 4520 feet of 12-inch water mains and associated appurtenances for Anderson Mill Road - \$137,888.00
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The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Lebermann, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann
Noes: Councilmember Linn

AFTERNOON SESSION 3:00 P.M.

Mayor Friedman called the afternoon session to order.

PRESENTATION CONCERNING THE HIKE AND BIKE TRAIL IMPROVEMENTS

Mrs. Stella S. Rowan had requested to appear before Council to present two checks for improvements to the hike and bike trail on Shoal Creek between 34th and 38th Streets; however, Mrs. Russell Fish appeared in her stead.

Mrs. Fish commented that she was representing Mrs. Stella Seiders Rowan and presented the City with a check for \$10,000 from the Arch H. Rowan Foundation to be used to develop a hike and bike area around 34th Street and Shoal Creek. She stated that Mrs. Rowan and her sisters were very interested in Austin and felt that this benefaction was appropriate at this time.

RECOGNITION

Councilmember Hofmann read and presented a resolution signed by the Council for Mrs. Stella Seiders Rowan in recognition of this bequest. It was noted that this bequest would further enrich the lives of many who enjoy the beauty which Austin, the capitol of Texas, offers to all, and Councilmember Hofmann urged all citizens to join the members of the Council in expression of their profound gratitude and appreciation to Mrs. Stella Seiders Rowan. Mrs. Fish accepted the resolution. Mayor Friedman thanked Mrs. Fish for working with the Parks and Recreation Department.

APPEARANCE TO PRESENT A DEMONSTRATION

Mr. Richard G. Antrim appeared before the Council to present a demonstration on how women can learn to protect themselves against assault. He noted that assault on women was becoming a definite problem and it had increased 70% since 1973. He felt that if women were better informed on how to defend themselves, it would be helpful to them in decreasing these attacks. At this time, Mr. Antrim, with the aid of Ms. Carol Madeley and James Cook, presented a demonstration of various ways to protect yourself against attack. Mayor Friedman thanked Mr. Antrim for his presentation and demonstration and commented that as ideas were developed in this area perhaps they could meet again.

PUBLIC HEARING ON SOUTHWESTERN BELL TELEPHONE COMPANY
RATE REQUEST AND FRANCHISE REVISIONS

Mayor Friedman opened the public hearing scheduled for 2:30 p.m. to consider Southwestern Bell Telephone Company rate request and franchise revisions.

CITY ATTORNEY DON BUTLER stated that there were three issues:

1. Franchise Revision - The previous franchise had expired, but the Company was operating under a holdover arrangement and paying the necessary street use charges. The franchise had never been significant insofar as the Company's right to operate and probably would be even less so with the passage of the new State Utility Act. With the passage of a proper rate ordinance, the Company had agreed to increase street use charges to 4% of gross of their exchange operations. The City needed to know the disposition of the 4%, so that it (the 4%) could either be excluded from or included in any

rate increase which might be granted. The franchise which the City Attorney had presented to the Company was flexible and allowed for passage of various ordinances and regulations rather than locking in certain standards.

2. Rate Increase - The Company was requesting a \$6.7 million increase, which was about a 21% increase.
3. Rate Spread - If an increase were granted, then where it would go would have to be determined. The City Attorney did not recommend 20¢ pay telephones or a charge for directory assistance because there was not adequate data.

MR. GRAY BRYANT, Division Manager of the Austin Exchange of Southwestern Bell Telephone Company, first replied to City Attorney Butler's statement on the 4% gross receipts. Mr. Bryant stated that the Company was basically in agreement with the provision but that the amount would have to be collected in advance of payment through the rate ordinance.

Mr. Bryant then, through a slide presentation, outlined the reasons for the requested \$6.7 million rate increase, using 1974 data as the test year. He covered the investment figure of \$40.7 million in 1974 and also rate of return. Regarding the rate spread, there would be approximately a \$1.00 a month increase in the residential rate and about a \$3.00 per month increase in the business rate.

Mr. Bryant compared the Company's 25% increase in residential telephone service in a three-year period since 1973 to a 25% increase in the City's electric, water and wastewater services. Based on a rate increase for those utilities comparable to the ones received by the Company, he felt that there would have been a financial crisis for the City if they had had only a 25% increase for a three-year period. He stated that the telephone company had the same problem as the City in serving customers on the periphery of the City.

Mr. Bryant stated that installation charges should be increased more than they were the last time, because the Company was incurring a high deficit on installations. Students would still get a significant price break if they lived in a pre-wired apartment, but the service would not be free.

Mr. Bryant also stated that introduction of the 20¢ pay telephone should be considered, as well as a charge for directory assistance. He would propose that there be a charge for more than 5 calls. Directory assistance would be free from pay telephones, hospitals and motels. There would be no charge for the physically handicapped or blind.

Mr. Bryant then discussed rate base, which he defined as anything that the telephone company had that was used and useful (land, buildings, equipment) in providing telephone services in the metropolitan Austin area. He stated that he had never seen a rate base that was \$10 million less than the net book value of the Company's physical plant. The City's rate consultant, Mr. George Hess, had established a fair value of \$79.8 million for physical plant, and the Company had set a fair value of \$89.7 million. In determining the fair value, the Company had weighed it 80% toward replacement and 20% toward original cost. He also disputed the charge that the Company was keeping two sets of books. He stated that Mr. Hess had injected a long distance separation factor (Ozark Plan)

so that a large amount of the Company's investment was removed from the rate base and shifted to intra-state earnings requirements and inter-state. In 900 other rate cases in Texas, the Ozark Plan had not been applied.

MAYOR FRIEDMAN stated that the Council also subscribed to the Ozark Plan, as well as Mr. Hess and City Attorney Butler.

In response to Mayor Friedman's question, Mr. Bryant stated that retirement of part of the physical plant due to deterioration accounted for the difference between new investment figures and total plant value between 1973 and 1974. Mr. Bryant then discussed fair value which based on the Alvin case was determined to mean property values keyed to the times. He could not see how the Company's property could be worth less than net book.

Mr. Hess had recommended a rate of return of 7-1/2% in 1975. The figure would be higher this time, but the rate base had been lowered, so that essentially there was a tradeoff. The rate of return in Missouri was 9.3% in 1975 with the rate base set as of end of period net plant.

In response to City Attorney Butler's question, Mr. Bryant stated that the Missouri figures were based on original cost and not fair value. City Attorney Butler then stated that those figures could not be compared with Mr. Hess' figures which were based on fair value. Mayor Friedman pointed out that Ohio's rate of return was 7.1% and was based on fair value. Mr. Bryant replied that fair value in Ohio was replacement cost new.

Mr. Bryant stated that he had recently called a number of southern cities, and based on those calls, Austin had the lowest two-party rates of the cities called. San Antonio had a residential rate of \$7.35, but was largely due to the fact that charges were passed to installation instead of one-party residences.

In response to Mayor Friedman's question, Mr. Bryant stated that the proposed Austin one-party rate would be increased to \$8.00.

In 1974 the Company had a rate of return on equity of less than 6%, which was one of the lowest among major corporations. The Company needed a rate of return of 12% to 15%. Mr. Bryant said Mr. Hess was recommending about 10%. In response to Mayor Friedman's question, Mr. Bryant stated that the Company was earning about \$2 million locally. If gross revenue could be increased by \$6.7 million, the Company would have a net income after taxes of about \$3.8 million. That amount would be in addition to present earnings.

Mr. Bryant then showed slides of various telephone company offices in the Austin area, and pointed out that building costs had increased over 50% since 1970.

In response to Mayor Friedman's question, Mr. Bryant stated that charging for directory assistance would reduce such calls by about 70%. Regular full-time employees would be retained and shifted into other jobs. In response to Councilmember Linn's question, Mr. Bryant stated that there were approximately 160 directory assistance operators working in shifts. Directory assistance calls and operators had increased in Austin in recent years. There were no plans to eliminate the service.

In response to Councilmember Himmelblau's question, Mr. Bryant stated that on pre-wired apartments, the basic charge was \$13.50. If the student picked up the telephone, the charge was reduced to \$6.75. If the student returned the telephone, the remaining \$6.75 was refunded.

In response to Mayor Pro Tem Snell's question, Mr. Bryant stated that information charges were the same all over town. Mayor Friedman stated that in Washington, D. C., when directory assistance was dialed, a computerized voice came on the line to request that the directory be checked first, but if the number could not be found, then wait on the line. He asked Mr. Bryant if that system could be used instead of charging for such calls. Mr. Bryant said that he was not familiar with the system, but that about 20 states had approved charging for directory assistance. In response to Mayor Friedman's question, Mr. Bryant stated that Fort Worth had approved the charge and Dallas and Houston had it pending.

In response to Councilmember Hofmann's question, Mr. Bryant stated that there was a uniform installation charge for all parts of town. He and the City Attorney were working on a three-element usage pricing plan whereby the less work done, the less the installation cost.

City Attorney Butler stated that the purpose of the hearing was to determine how much profit telephone company stockholders would get, and the use of proper methodology. He felt it was improper to compare telephone utility rates with gas or electric utility rates. He then introduced Mr. George Hess, one of the City's rate consultants.

In response to Mayor Friedman's question, Mr. Hess stated that the stockholder of Southwestern Bell was American Telephone and Telegraph. The rate of return consisted of all AT&T rates all over the country. In his report Mr. Hess had examined the various rates of return along with Southwestern Bell's rate of return. Mayor Friedman stated that he did not want to leave the impression that AT&T stood or fell on Southwestern Bell.

Mr. Hess stated that the Ozark Plan separated interstate and intrastate services that had been prescribed by the FCC and NARUC committees. Southwestern Bell had not been consistent in applying the Ozark Plan. He disputed Mr. Bryant's charge that the rate base being recommended was less than the Company's book cost of the plant.

City Attorney Butler stated that using full Ozark would make about \$2 million difference in the revenues effect. Austin, on Mr. Hess' recommendation, probably was the first City in the state to use full Ozark. However, Mr. Butler cited several statements by Mr. Goode, a former high Southwestern Bell employee, who endorsed the full Ozark plan and who felt that Bell's lack of consistency in applying the plan could not be defended satisfactorily in court. Mr. Butler introduced other evidence to show that Austin was not the only municipality using full Ozark.

At Mr. Butler's request, Mr. Hess explained the difference between his recommended depreciation expense and the Company's. The Company had calculated depreciation expense on fair value, rather than original cost, and had used year-end plant instead of plant that was in service during the 1974 test year.

The Company's justification was a statement in the Alvin case that there should be some consistency between expense allowance in the income statement and the deduction from the rate base. Mr. Hess knew of no regulatory agency which allowed depreciation on anything other than original cost. Use of the year-end plant was the only expense item the Company applied in their adjustment. Revenues were based on service during 1974, not at the year-end level.

In response to City Attorney Butler's question, Mr. Hess stated that his testimony was that no other state utility commission which he was aware of allowed this type of depreciation expense, and that this was wholly inconsistent with the requirement of some consistency between the two different items, depreciation for expense purposes and for valuation purposes.

City Attorney Butler again cited the Good memo and pointed out that Mr. Good agreed with Mr. Hess regarding Bell's difficulty to defend in court their use of the highest possible depreciation expense figures.

Mr. Hess then explained that he had reduced Bell's income tax allowance by \$127,000 because of a saving which resulted from filing a consolidated federal income tax return with other AT&T subsidiaries. He cited a 1975 public regulatory act (Section 40-c-2) which stated that tax savings which result from the filing of federal income taxes should be passed on to the consumer. The savings should be reflected in the expenses for rate making purposes.

Referring to Schedule 3, pages 1 and 2, Mr. Hess stated that basically he had accepted all the adjustments for known changes in price levels that occurred during 1974 but had rejected changes which occurred long after 1974. He had not done so in the last case, but stated why in his recommendations. The test year used was 1973, but the new rates were not effective until May, 1975. He had adjusted price level changes through 1974 because he had had time to review 1974 data due to the delay in hearing the case. Also, by allowing the use of 1974 data, he had hoped to avoid having Southwestern Bell file immediately for another rate increase after the one granted in May, 1975. The Company was trying to reflect a wage increase granted 7 or 8 months after the close of the test year, but did look at other changes which might effect the rate base, such as increased revenues. If data well beyond the test year were to be used, then all factors should be examined.

Referring to Schedule 4, page 1, column B, Mr. Butler asked Mr. Hess to explain why he used an average plant in service during 1974, rather than year-end plant and applying the full year's revenues and expenses to it as the Company had done. Mr. Hess stated that he tried to match operating income for the 12-month accounting period of 1974 with the same plant that produced the income. Southwestern Bell repeatedly tried to mismatch revenues with plant when requesting rate increases. Not even the gas utilities which Mr. Hess had dealt with followed such a practice.

Referring to Schedule 4, page 1, lines 9 and 10, Mr. Butler asked Mr. Hess to explain what the items were and why he had deducted \$3.9 million from the Company's rate base. Mr. Hess explained that deferred income taxes were hypothetical taxes which would be paid were it not for the provisions of liberalized depreciation and/or if they did not get investment tax credit. The taxes were collected from the subscriber through charges to expenses which were being allowed for rate making purposes, but the taxes were not paid to

the federal government. The theory of using deferred tax was that some day there would be a liability for the tax, and therefore it was set aside in a deferred account. Although the money was set aside, the Company still had use of it. Mr. Hess stated that the subscriber should not be paying a return on money which he had provided, therefore, he had deducted that amount from the rate base.

Regarding the investment tax credit, Mr. Hess stated that the Company amortized the reduction in tax arising from the investment tax credit over the estimated service life of the property. The current income tax charge then represented only a portion of the reduction to tax due to investment tax credit. The 1975 public utility regulatory act provides for the deduction of the investment tax credits to the extent that the company has retained them and to the extent that such deduction is permitted by Internal Revenue Service. Present IRS law permits deduction of deferred investment tax credit generated before 1971. Mr. Hess had deducted only that portion from the rate base.

In response to Mr. Butler's question, Mr. Hess stated that what he had done was take away the Company's return on investment that actually came from the rate payers to begin with.

In response to Mr. Butler's question, Mr. Hess stated that he had disallowed the Company's request for a return on \$227,000 of cash working capital because the figure was a theoretical amount calculated to have been invested in operating expenses before receiving revenues from subscribers. The telephone company had no such working capital when it collected in advance. To the extent that the Company did not collect in advance, subscribers provided ad valorem tax forms which are collected by the utility long before payment was made to the taxing authorities, therefore, that would offset any cash working capital requirements.

Referring to item 10, Mr. Butler asked Mr. Hess to explain how he had made a different adjustment for the age and condition of reproduction cost new of the plant. Mr. Hess stated that the Company claimed high depreciation expense for expense purposes and low depreciation for valuation purposes. He had simply been consistent in applying the factor.

Mr. Butler referred again to the Good memo and pointed out that Mr. Good also believed there was a problem with the Company's depreciation method because it did not take age into account.

Referring to item 11, schedule 4, page 1, line 7, Mr. Butler asked Mr. Hess why he used a 70% weighting to original cost and a 30% weighting to reproduction cost new. Mr. Hess stated that the new public utilities regulatory act stated the maximum range of weight that might be given to reproduction cost new would be between 25% and 40%. Furthermore, Mr. Hess felt that reproduction cost was economic nonsense and entitled to very little weight. The Alvin case stated that weighting should be such as to smooth out the economic cycle. In this period of rapid inflation, to avoid creating too large a burden on the public, he felt that weight given to reproduction cost should be at the lower end of the range. In the previous case, he had used 60%/40% because he was influenced by the Railroad Commission's actions in recent cases and the public utilities regulatory act had not been passed.

Mr. Butler next asked Mr. Hess to comment on his 7.85% rate of return as it applied to a fair value rate base of \$94.6 million. Mr. Hess stated that Dr. Hopper would cover the 7.85% rate of return, and that he had adopted it for calculations. For the test year 1974, using a 7.85% rate of return on rate base, Southwestern Bell had an income deficiency of \$991,000. To earn the 7.85% rate of return, the Company would have to charge rates which would produce additional revenue of \$1,988,000.

In response to Mr. Butler's question, Mr. Hess stated that the 7.85% rate of return based on fair value did not compare with the figures shown earlier by Mr. Bryant because there was a mixture of fair value and original cost jurisdictions used.

Mr. Hess stated that translating the figures into return on the book common equity of Southwestern Bell would produce 10.32% on the book equity. Because Southwestern Bell's equity was provided by AT&T which has subdivided it among debt, preferred stock and common stock, there was a double leverage effect. It would produce 12.25% rate of return on AT&T's equity.

In response to Mr. Butler's question, Mr. Hess stated that he was recommending that Southwestern Bell be granted a \$1.9 million increase on the Austin Exchange. In response to Mr. Butler's question, Mr. Hess stated that his recommendation was consistent with sound rate making principles which would allow Southwestern Bell a fair return on fair value at the Austin Exchange and allow to attract new capital and provide the proper service.

In response to Mayor Friedman's question, Mr. Hess stated that the increase in franchise gross receipts tax was not included in his figures at this time, and that the figure would be an additional one based on what the gross receipts tax would be.

Mr. Butler introduced into evidence Mr. Hess' report, which was Exhibit 4. He then introduced Dr. Jack Hopper, an economist and engineer, who discussed the rate or return.

Dr. Hopper commented on economic conditions as they related to Southwestern Bell's rate increase request. Conditions were changing from 1974 test year:

1. The country had just experienced the worst recession in 35 years, but was coming out of it.
2. Gross National Product was beginning to rise.
3. Inflation had decreased by about 50%.
4. The prime interest rate had declined by almost 50%.

The preceding figures would have a different effect on 1976 telephone rates than 1974 figures.

Dr. Hopper referred to certain expenses used in rate making which were enumerated in the new Public Utilities Regulatory Act. Relations with affiliates interests, legislative advocacy, advertising expenses and contributions were all enumerated. Lobbying expenses were forbidden in the Act.

Mr. Butler pointed out that the company could still lobby, but that the stockholders and not the subscribers paid for it.

Dr. Hopper stated that the preceding expenses should be watched carefully by City Councils to see if they were in the public interest. If they were not, then they could be excluded from rate making purposes.

Dr. Hopper referred to Exhibit 3 which was his comparison of the profitability of Southwestern Bell and a sister company, Western Electric. Western Electric was shown to be more profitable than Southwestern Bell. Dr. Hopper felt that at the State level, expenditures of the two companies should be evaluated, the differences in profitability assessed and the proper deductions made accordingly. The process would be too expensive to do locally. In this case, Dr. Hopper had not made the deduction.

Dr. Hopper then discussed rate of return and how it was determined. Referring to Exhibit 5, he pointed out that due to the low risk involved in a quality utility, the rate of return was expected to be low. A regulated utility such as AT&T traditionally had earned less for its stockholders than any other kind of utility company.

Dr. Hopper stated that he had never seen a meaningful comparison of fair value rates of return between the states because they varied on rate base, and time period. Also the rate of return had different aspects. All that could be done was to compare the book figures and the Federal Power Commission and Federal Communications Commission did that.

In response to Mr. Butler's question, Dr. Hopper stated that it was not proper for Mr. Bryant to compare rates of return on the invested capital or book value for those cases shown on the board with the recommended 7.85% rate of return.

In response to Mr. Butler's question, Dr. Hopper stated that the 7.85% rate of return would return 8.8% on invested capital in the local exchange, 10.32% for the stockholders of Southwestern Bell, and 12.2% for AT&T stockholders. Dr. Hopper stated that the 3.9% rate of return requested by Southwestern Bell was based on 100% estimated fair value or reconstruction cost new figure. The figure had no meaning, and he did not believe that the Company intended to use it.

Mr. Butler felt that there was a difference between the Company's presentation and Mr. Good's memo whereby Mr. Good stated that Southwestern Bell's approach to rate making in Texas was out of step with the other states served by the system. Dr. Hopper agreed with that assessment.

Dr. Hopper commented that there was no comparison between long line service and its risk and its return and local service and its risk and its return. He was referring to the 12% increase in long line service charges recently granted by the FCC.

Don Butler, City Attorney, introduced into evidence the following Exhibits:

Exhibit 1 - Recommendations on Rate of Return and Special Expenses for Southwestern Bell Telephone Company Application for Increased Rates by Dr. Jack Hopper, February 4, 1976.

Exhibit 2 - Southwestern Bell's Approach to Rate Case Proof in Texas, by J. M. Good

Exhibit 3 - Newspaper articles entitled "Ozark Plan Urged for Bell Rate" "Report on Bell Request Draws Fire" and "Former Bell Exec Author of Dallas Rate Hike Report"

Exhibit 4 - Report by George F. Hess, Hess & Linn, Inc.

At the conclusion of Dr. Hopper's presentation, Mayor Friedman opened the discussion to the public.

JIM LANDRUM, Vice President of the Austin Association of Life Underwriters, recommended a no-charge for numbers not listed in the directory or that the telephone company publish a supplementary directory every 90 days.

MR. RON MULLEN, representing General Agents and Manager's Association, supported the same position that Mr. Landrum stated and felt that there should be a way to use the directory assistance for those who do use it legitimately.

JAMES CALLAWAY, representing U. T. City Lobby Committee, presented a petition containing 700 names of students that opposed the proposed 411 charge and felt it was unfair to them to make this charge.

EDITH BUSS, representing the Travis County Democratic Women's Committee, was concerned that after reading from a San Angelo newspaper it was learned that Southwestern Bell is the most profitable of all AT&T. She requested that the Council request an appearance from the Board of Control on how the rate increase would effect their rates. She also would like to have a similar request from the University of Texas. Mrs. Buss commented that she was also representing the Texas Consumer's Association and they were opposed to the 411 charge and so was the Democratic Women's Committee. She submitted an article concerning annual revenues of AT&T to the City Clerk.

LEE SANBLOSKY, Chairperson for the Student Government City Lobby Committee, stated that the University of Texas Student Government goes on record to strongly oppose the directory assistance charges.

MACK LEE was opposed to the proposed rate increase and was completely against the 411 charge. He felt that the telephone company had no provisions for a limited service which should be offered. Mr. Lee commented that Southwestern Bell is very unspecific in their proposals and the long distance rates are unequitable.

BARBARA GIBBONS spoke for the people who were handicapped in some way that very much needed the directory assistance and hoped the increase would not be adopted.

J. A. CLARK opposed the proposed charges of the telephone company and felt there should be a reduction in the rates.

PAM SCOTT was opposed to the 411 charge and suggested that possibly a recording to instruct people to look the number up in their directory be implemented before changing the rates.

PAM WETZELS reiterated the remarks made by Ms. Scott.

MARK GETZ asked that the Council tie to any rate increase that is adopted some type of additional regulatory powers over the phone company. He was also concerned with their collection procedures.

City Attorney Don Butler commented that as of September 1976 the City would no longer be involved in the regulation of the telephone company, and felt that possibly during this interim period that some type of a regulatory ordinance could be considered.

MR. PAUL GRAY, Vice President of the Communications Workers of America, and was speaking on behalf of the CWA members concerning the proposed 411 charge. He stated that this charge would not benefit the telephone subscribers since basic telephone service would be reduced while the charge for this service would increase. Moreover, charging for directory assistance would substantially curtail demand for the service. He requested that the Council take action to prevent Southwestern Bell Telephone Company for implementing a charge for directory assistance.

RANDY STRANG was opposed to any increase by the telephone company.

Mayor Friedman felt that Austin was the leader in the State of Texas in determining a fair rate for the telephone company and the gas company due to the effort by City Attorney Don Butler and did not think the Utility Commission would do near the job that Austin has done on its own.

HOWARD PYLE, President of CWA, stated that they were opposed to the 411 charge and felt it would mean a loss of jobs to many of the members.

STEVE COOK indicated that the telephone company should enclose in their leaflets that are mailed out to customers the problem that they have concerning the 411 number and suggestions for the customers on how they can obtain needed numbers. He also supported the idea of having a tape which was suggested by Mayor Friedman.

Mr. Gray Bryant wanted to make one point clear and that is that the telephone company has not employed any deceit in their ratemaking process. He felt that Mr. Hess had done something in this rate case that needed to be brought to the Council's attention, and stated that Mr. Hess disallowed the telephone company's wage expense; the increase for 1975; the CWA wage contract; and the management salary increase. This factor alone on the revenue requirements is 1.5 million dollars. Mr. Bryant felt that Mr. Hess was inconsistent in his report since this was allowed last time.

The rate increase that was received in May was incorporated into the 1974 figures, and suggested most strongly that there is no uniformity in this type of approach and thought that Mr. Hess would have been consistent.

Mayor Friedman stated that Mr. Hess made it clear that he felt he was being generous and very considerate to include it last time.

Mr. Bryant commented that to his knowledge Mr. Hess and Dr. Hopper had not testified for private corporations. As to comments by Mr. Bryant, City Attorney Butler noted that he was an advocate for good, proper ratemaking principles and was not on one side or the other.

Mr. Bryant reiterated his concern that deceit had been practiced by the phone company. Mayor Friedman felt that there had been no deceit but there was a difference of opinion as to the kind of regulatory powers that should be installed on large corporations. He noted that the discussion was not just referring to Southwestern Bell, but also to AT&T as regarding the increase.

In referring to a remark made by one citizen, Mr. Bryant indicated that Texas is in the bottom half of the Bell system as far as earnings are concerned.

City Attorney Butler felt that Southwestern Bell was out of step with their ratemaking practices by any utility operating in the State of Texas and elsewhere. As far as the inconsistency in the approaches taken, Mr. Butler felt that Mr. Hess had been very generous with the company in allowing extended forward adjustments. He resented deeply the remarks made about Mr. Hess. In the three rate cases that have been heard there has never been any logical reason why the City is wrong. Mr. Butler welcomed the company to submit any regulatory authority that they would like to the Council. He also resented the remarks that Dr. Hopper and Mr. Hess came in low because they had not been testifying for utility companies, and again felt that if Southwestern Bell had any objections to any of the figures which were presented that they be presented to the Council.

Councilmember Linn suggested that the hearing be recessed and instructed the City Manager to ask the Board of Control and the University of Texas to have representatives to appear when the public hearing is continued on February 12 so some ideas can be obtained on the overall effect. She requested that the state phone bill with 20% added to it for the Austin exchange be obtained by the Board of Control.

City Attorney Butler commented that he could present a recommended ordinance showing the rate spread with the City's recommendation. Mayor Friedman suggested that this be done and presented at the February 12 meeting at 2:30 P.M.

(A transcript of this is on file in the City Clerk's office.)

CONTRACTS AWARDED

Councilmember Hofmann moved that the Council adopt a resolution awarding the following contract:

ATLANTIC RICHFIELD COMPANY
1900 St. James
Houston, Texas

- Turbine Oil in bulk, for use in Turbine Units Nos. 1 and 3 at Holly Power Plant and No. 9 at Seaholm Power Plant, Electric Utility Department
Item No. 1, 14,000 gallons @ \$1.087/gal.
Total - \$15,218.00

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem
Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn
Noes: None

Councilmember Hofmann moved that the Council adopt a resolution awarding the following contract:

AUSTIN ROAD COMPANY
428 East Anderson Lane
Austin, Texas

- St. John's Area Street & Drainage
Improvements, Assessment Paving
consisting of thirteen units -
\$528,861.12

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem Snell,
Councilmembers Himmelblau, Hofmann, Lebermann, Linn
Noes: None

Councilmember Hofmann moved that the Council adopt a resolution awarding the following contract:

FRUEHAUF DIVISION, FRUEHAUF
CORPORATION
5400 North Pan Am Expressway
San Antonio, Texas

- One Semi-Trailer, Vehicle and
Equipment Services Department.
Item No. 1; 1 ea. @ \$7,219.00

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem Snell,
Councilmembers Himmelblau, Hofmann, Lebermann, Linn
Noes: None

City Manager Davidson pointed out that with the contract award to Austin Road Company, this would complete every part of paving in the St. John's Program. Mayor Friedman stated that this would include all the streets that were not paved as included in the program and suggested that the people at the St. John's Center be contacted to inform them of this contract award.

Councilmember Hofmann moved that the Council adopt a resolution awarding the following contract:

CITICORP LEASING, INC.
1341 West Mockingbird Lane
Dallas, Texas

- Diagnostic Ultrasound Imaging System
for Brackenridge Hospital.
36 month lease - \$1,730.83/month

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem
Snell, Councilmembers Hofmann, Lebermann, Linn
Noes: None
Abstain: Councilmember Himmelblau

CONTRACT FOR SPEECH COMMUNICATIONS

Councilmember Linn moved that the Council adopt a resolution authorizing a contract in the amount of \$8,000 between the City of Austin for Brackenridge Hospital, and the University of Texas at Austin, Department of Speech Communications, Program in Communication Disorders. (Contract period January 1, 1976, through September 30, 1976) The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

CHANGE ORDER

The Council had before it for consideration the following change order:

Change Order No. 7 in the amount of \$9,015.00 to HENSEL-PHELPS CONSTRUCTION COMPANY, for West 9th and 10th Street Improvements Project.

Councilmember Hofmann felt this change order could be eliminated. She examined the possibility of moving the tree and with the aid of Mr. Jack Robinson, Director of Parks and Recreation, found out that it could be moved with a crane. If this is done, Mr. Charles Graves, Director of Engineering, felt it would open more possibilities for moving trees that in the past had to be built around. The cost of moving the tree would be \$3,500 and Councilmember Hofmann felt that the taxpayers should not pay for this, so she attempted to locate the money for this process. She was in favor of citizen involvement rather than using tax money. After approaching several banks regarding this matter, she contacted Mr. Stanley Adams, Lamar Savings, and he presented the City with a check for \$3,500. Councilmember Hofmann accepted the check and thanked Mr. Adams.

Mr. Stanley Adams felt a lot of things were achieved when private enterprise and government work together, and he was very pleased to work with the Council on this matter. He commented that this was part of a Bicentennial gift that was made with the City to give 1,000 trees to the Parks and Recreation Department.

Mayor Friedman commented that the staff and Council was very grateful for the gift and a great deal of credit was due to Lamar Savings and commended this effort of cooperation between private enterprise and governmental sector.

Councilmember Trevino expressed the Council's gratitude to Councilmember Hofmann for her effort in obtaining the gift. Mayor Friedman noted that no action would be taken on the afore-mentioned change order.

CHANGE ORDER

Councilmember Himmelblau moved that the Council adopt a resolution approving the following change order:

Change Order No. 6 in the amount of \$42,106.18 to HENSEL-PHELPS CONSTRUCTION COMPANY, for West 9th and 10th Street Improvements Project.

The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman

Noes: None

LICENSE AGREEMENT

Councilmember Lebermann moved that the Council adopt a resolution approving the following license agreement and that trees planted at grade level would not have a charge, only a charge for areas with construction above grade.

Permitting encroachment by a 3/4 of an inch of stucco veneer applied to the existing exterior walls of a building and seven (7) tree wells, in the 100 block of East 10th Street and the 1000 block of Brazos Street, adjoining Lots 4, 5 and 6 of Block 123 of the Original City of Austin. The encroachment would consist of seven (7) tree wells containing 63.00 square feet of land, each of the said tree wells would be 3.00 by 3.00 feet. Four (4) tree wells being located on East 10th Street and the 3/4 of one inch stucco veneer added to building would consist of 10.26 square feet. (Requested by Joseph C. Boggins, Executive Director of the Texas Association of Insurance Agents)

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell

Noes: None

City Manager Davidson reviewed the existing policy regarding tree wells and felt that no construction was involved with this particular license agreement so the policy would be not to charge for the trees or the position of the trees in the sidewalk area. He would like the Council to indicate just how they would like to consider this type of situation in the future.

Mayor Friedman felt that there should not be a charge for trees that are planted at grade level, but only a charge in areas where construction occurs above ground.

DEMOLITION OF STRUCTURE

Councilmember Lebermann moved that the Council adopt a resolution authorizing demolition of the following structure:

Accept negative bid - to be demolished

20 Lynn Street

Clarence Cullen Co.

\$587.00

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmember Himmelblau

Noes: None

LEGAL DISPOSITION OF SUBSTANDARD STRUCTURES

Councilmember Linn moved that the Council accept the recommendations from the Building Standards Commission that the Law Department take proper legal disposition of the following substandard dwellings which have not been repaired or demolished within the required time:

1. 2801 Castro Street (Front and Rear) Trinidad Zapata, Jimmy Zapata and Cecila Zapata, owners
2. 7606 Carver Avenue Annie and George Berry, owners
3. 311 Mockingbird Lane Etta McAllister Estate, owners
4. 85 Waller Street Rudolph Robinson, owner
5. 201 Mockingbird Lane (Front and Rear) Jessie Peel, owner

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann

Noes: None

CONSTRUCTION AGREEMENT ON SIDEWALK CONSTRUCTION

Councilmember Lebermann moved that the Council adopt a resolution authorizing the acceptance of a construction agreement between the City of Austin and the State Highway and Public Transportation Commission, relative to additional sidewalk construction on 38th Street from Jefferson Street to Avenue B, and to make payment to the State in the amount of \$6,100.00 for this project. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Linn, Trevino, Mayor Friedman, Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann

Noes: None

CONSTRUCTION AGREEMENT

Councilmember Linn moved that the Council adopt a resolution authorizing the acceptance of a construction agreement between the City of Austin and the State Highway and Public Transportation Commission, relative to North Lamar Boulevard from Carpenter Avenue to near North Bend Drive, and to make payment to the State in the amount of \$44,800.00 for this project. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem
Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn
Noes: None

RENEWAL OF AGREEMENT

Councilmember Linn moved that the Council adopt a resolution authorizing the renewal of an agreement with the University of Texas Graduate School of Social Welfare for supervised field placement experience of graduate students within Health Department programs. The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

ACQUISITION OF CERTAIN LAND

Councilmember Linn moved that the Council adopt a resolution authorizing the acquisition of certain land for East Riverside Drive and Pleasant Valley Road as follows:

1.40 acres of land out of Tract A, Willow Bend, Section One.
(Robert C. Wilson, III, et al)

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann,
Lebermann, Linn, Trevino, Mayor Friedman
Noes: None

Councilmember Linn moved that the Council adopt a resolution authorizing the acquisition of certain land for East Riverside Drive and Pleasant Valley Road as follows:

3,868 square feet of land out of Lot One (1) of Thomas and
Burch Subdivision. (Kwik-Chek Realty Company, Inc.)

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann,
Lebermann, Linn, Trevino, Mayor Friedman
Noes: None

CONTRACT WITH TRAVIS COUNTY FOR EMERGENCY
MEDICAL SERVICES

The Council had before it for consideration the three-year contract with Travis County for emergency medical services.

Councilmember Himmelblau moved that the Council approve the contract with Travis County for emergency medical services with the following amendments:

1. The mileage rate is fixed only for the first year with provision that the rate for the second year and third year will be determined based on vehicle operating costs by renegotiation. In the event agreement is not reached on the rates for the second or third year, the City's proposed rate would automatically go into effect for the first six months of the year at the end of which time the contract would automatically terminate unless some other agreement were to be reached in the six-month period.
2. Provision is made that the City of County may terminate on one year's notice. Also, that the City need not continue to provide County-wide EMS service if for some reason it shuts down the EMS program in the City.
3. That the current contract be continued until the commissioners have reached a decision concerning the revision. The current contract would be in effect until the 12th of February.

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn,
Trevino, Mayor Friedman, Mayor Pro Tem Snell
Noes: None

INTERIM APPROACH MAIN POLICY RECOMMENDATION

The Council had before it for consideration the recommendation from the interim approach main policy report.

City Manager Davidson noted that a letter had been received from Mr. George Ramsey, Chairman of the Joint Committee on Approach Main Policies.

MR. CURTIS JOHNSON, Director of Water and Wastewater, commented that basically the recommendation from the committee is to recommend to the Council that in case an approach main contract had been approved by the Water and Wastewater Department by January 20, 1976, then those subdivisions should be offered a refund contract as according to past policy. Mr. Johnson noted that there were about 15 subdivisions involved in some level of development since the Council had requested that no refund contracts appear on the agenda. The recommendation made did favor all of those contracts except two. The list included with the recommendation is all that he is aware of; however, there could be one or two more that might comply with the recommendation of the committee.

In response to Councilmember Linn's question as to the amount, Mr. Johnson noted that he did not have a total amount.

Mr. Johnson read the estimated amount of each of the projects and Mayor Friedman noted it amounted to approximately \$750,000. In response to Councilmember Hofmann's question as to where the money would be obtained, Mr. Johnson stated that it is an expense item in the water and sewer maintenance operation budget.

City Manager Davidson suggested that he be given the opportunity to examine the figures presented by Mr. Johnson and to project this into the various operating years and see how much per year is in question to repay the proposed contracts.

Mayor Friedman requested that a breakdown be submitted as to which proposals were approved prior to the time the Council asked that there would be a committee to study this. Mayor Friedman recalled that there should have not been any more approved. Mr. Johnson indicated that in this event five on the list would have been placed on the agenda if there had not been a hold on them. The remainder could have been before this time or after. Mayor Friedman stated that this was the breakdown he wanted.

Councilmember Himmelblau asked that action on this recommendation be delayed until next week. Mayor Friedman stated that he did not think there would be any action, and he was not ready to vote. Mr. Johnson indicated that he would have the information that Mayor Friedman requested by next week.

RESETTING HEARING ON FINANCIAL DISCLOSURE AND ETHICS ORDINANCE

Councilmember Himmelblau moved that the Council reset the public hearing on the Financial Disclosure and Ethics Ordinance to March 11, 1976, at 10:30 a.m. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Friedman,
Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann
Noes: None

CHANGE IN MASTER PLAN TO DELETE CROSS TOWN EXPRESSWAY AND SET HEARING IF NECESSARY

The Council had before it for consideration changing the Master Plan to delete the crosstown expressway from Clarksville to Lamar Boulevard and to set a hearing if necessary. Councilmember Himmelblau commented that she would like to see this out of the Master Plan.

Councilmember Himmelblau moved that the Council delete the crosstown expressway from MoPac to Lamar Boulevard from the City's plans and referred it to the Planning Commission; and instructed the appropriate City departments to begin the process of placing surplus City owned property on the market in order to sell it at the earliest possible time, so it can be placed back on the tax rolls. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Linn, Trevino, Mayor Friedman, Mayor Pro Tem
Snell, Councilmembers Himmelblau, Hofmann, Lebermann
Noes: None

Mr. Joe Ternus, Director of Urban Transportation, stated that the normal procedure is to review the surplus property through the City administration and the Planning Commission and then to the Council. Therefore, it would not mean that every piece of property would be sold. Some might be needed for other City services.

Mayor Friedman commented that there was the possibility that the Caswell House would be sold.

LEGAL MEANS TO RESTRICT VEHICULAR TRAFFIC ON MOPAC

Councilmember Lebermann asked that the Council join him in instructing the City Manager and Urban Transportation to enter into long range preplanning conferences with the Highway Department in an effort to identify alternative routes for major interstate truck traffic with a view of keeping it off of MoPac.

Mayor Friedman pointed out that last summer the Council authorized the administration to proceed along these lines and they have been doing this. He suggested that discussion proceed with the 45 m.p.h. speed limit and to restrict trucks of a heavy nature.

BRACKENRIDGE HOSPITAL INTERIM PARKING PLAN AND SHUTTLE BUS SERVICE

City Manager Davidson complimented Mr. Joe Ternus and his staff and other departments that have been working on this proposal and felt that it is a good one.

Mr. Joe Ternus commented that if the Council was satisfied with this approach, then he would present to the Council in two weeks the appropriate ordinances and resolutions in order for the Council to consider the implementation of this plan. He noted that the service would begin March 1.

Councilmember Linn moved that the Council approve the proposal concerning Brackenridge Hospital Interim Parking Plan and Shuttle Bus Service. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem
Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn
Noes: None

EXECUTIVE SESSION

Mayor Friedman stated that the Council met in Executive Session to interview four applicants for Municipal Court Judge and the remaining seven applicants will be interviewed next Thursday. Also discussed were appointments to the following board:

Zoning Board of Adjustment

Councilmember Himmelblau moved that the Council appoint the following to the Zoning Board of Adjustment for two-year terms:

Kay Charnes
Joe G. Garcia

Susan A. Alback
Ed Hill - as alternate

The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino
Noes: None

Vendor Committee

Councilmember Linn moved that the Council appoint JOHN CLYNE, an importer, to the Vendor Committee. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann,
Lebermann, Linn, Trevino, Mayor Friedman
Noes: None

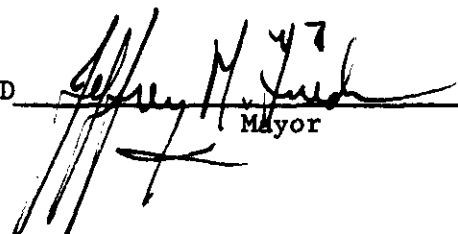
Mayor Friedman announced that on February 19, 1976, the Council would appoint members to the following:

The Urban Transportation Commission - 9
The Status of Women - 3
Retirement Board - 2

ADJOURNMENT

The Council adjourned at 7:00 p.m.

APPROVED


Mayor

ATTEST:


City Clerk