

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

October 12, 1978
9:00 A.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Goodman, Himmelblau, Mullen, Snell, Trevino

Absent: None

INVOCATION

The Invocation was delivered by Reverend John Towery, Congregational
Church of Austin.

CLASS INTRODUCED

Mayor McClellan recognized the 6th grade class from Travis Heights that
was in the audience. Teachers of the class are Louis Lancaster, Minnie Payton,
and Amelia Mendez.

HOUSE OF THE WITCHES MOON DAYS

Mayor McClellan read a proclamation designating October 13 as House of
the Witches Moon Days. On hand to receive the proclamation with their thanks
were MISS GULCH (Debra Dukkett) and MR. CREEPY (David Montoya).

LA SEMANA DE LA MUJER CHICANA

Mayor McClellan read a proclamation, received by Amalia Rodriguez-Mendoza,
naming the week of October 14-20 as Mexican-American Women's Week.

CONVENTION PLANNERS APPRECIATION WEEK

Mayor Pro Tem Cooke presented a proclamation to G. H. "BONES" OLDENBURGH and others, in honor of Convention Planners Appreciation Week October 16-20. He was thanked for the proclamation.

EL DIA DE LA RAZA

Councilmember Trevino read a proclamation designating October 12 as El Dia De La Raza. PAUL HERNANDEZ accepted it.

MEDICAL RECORD WEEK

Councilmember Himmelblau read a proclamation designating October 8-14 as Medical Record Week. MARY K. KEETON accepted it with her appreciation.

NATIONAL BUSINESS WOMEN'S WEEK

Mayor McClellan read a proclamation, accepted by BETTY HALL and MARGIE HOOD, which designated October 15-21 as National Business Women's Week.

KATHRYN LEDBETTER DAY

MISS KATHRYN LEDBETTER, teacher at Casis School, has been named Teacher of the Year for the State of Texas. Mayor McClellan presented a framed proclamation to her, which was accepted with appreciation by Ms. Ledbetter.

MINUTES APPROVED

Councilmember Mullen moved that the Council approve the Minutes for a Special Meeting, October 4, 1978, and the Regular Meeting, October 5, 1978, with one correction. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen, Snell, Trevino, Mayor McClellan
Noes: None

BOARDS AND COMMISSIONS

Councilmember Trevino moved that the Council appoint IRENE DOMINGUEZ and JOE RAMOS to terms on the Parks and Recreation Board. They will draw for terms expiring June 1, 1979 and June 1, 1980. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Goodman, Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke
Noes: None

Appointments to be Made

Mayor McClellan announced that the following Board and Commission appointments will be made October 19, 1978:

Building Standards Commission - 2
Vending Commission - 2
Community Development Commission - 1
Dental Health Advisory Committee - 1
MHMR - 1
Electrical Board - 1
Wrecker Standards Commission - 7
Medical Assistance Advisory Board - 9
Construction Advisory Committee - 4

There will be emergency appointments made on October 26, 1978, for the On-Going Goals Committee for Zones 1, 2, 3, 7 and 8.

EASEMENTS APPROVED

Mayor Pro Tem Cooke moved that the Council adopt a resolution to authorize release of the following easement:

A portion of a ten (10.00) foot Public Utility Easement out of Lot 30, Block A, Cat Mountain Villas Section Two, as recorded in Book 76, Page 97, of the Plat Records of Travis County, Texas. (Requested by Pat Via, Espey, Huston & Associates, representing Cat Mountain Properties)

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

Mayor Pro Tem Cooke moved that the Council adopt a resolution to authorize release of the following easement:

A seven and one-half (7.50) foot Public Utility Easement along the north property line of Lot 18, Block N, Vista West Section 5. (Requested by Mr. Stan Miller, representing the owner)

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

APPROACH MAINS APPROVED

Mayor Pro Tem Cooke moved that the Council adopt a resolution to approve the following Wastewater Approach Main:

BUDDY G. WHITE

- For construction of an 8-inch wastewater approach main to serve the Buddy G. White Property. (City's cost \$5,250.00, if area is annexed in one year.)

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

Mayor Pro Tem Cooke moved that the Council adopt a resolution to approve the following Wastewater Approach Main:

CBS DEVELOPMENT CORPORATION
C. B. Smith Sr., President

- For construction of a wastewater approach main to serve Oak Hill Heights Section One. (No cost to City)

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

PAYMENTS AUTHORIZED

Mayor Pro Tem Cooke moved that the Council adopt a resolution to approve the following payments:

THE VILLAGE AT WESTERN OAKS
Joint Venture of J. W. Smith
and Lumbermen's Investment
Corporation

- The cost difference of 12"/8" water mains installed in the Village at Western Oaks, Section 1 Subdivision - \$20,142.46.

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

Mayor Pro Tem Cooke moved that the Council adopt a resolution to approve the following payment:

ONION CREEK DEVELOPMENT COMPANY	- The cost difference of 12"/8" water main installed to serve Onion Creek, Section 3 - \$32,399.33.
---------------------------------	---

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

CONTRACTS APPROVED

Mayor Pro Tem Cooke moved that the Council adopt a resolution to approve the following contract:

STRAYHORN TENNIS COURT CONSTRUCTION COMPANY, INC. 3201-A Pecos Austin, Texas	- CAPITAL IMPROVEMENTS PROGRAM - Buttermilk Park Tennis Courts - \$59,900.29 C.I.P. No. 75/86-23
---	--

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

Mayor Pro Tem Cooke moved that the Council adopt a resolution to approve the following contract:

H & H CONCRETE CONSTRUCTION COMPANY P. O. Box 6460 Austin, Texas	- CAPITAL IMPROVEMENTS PROGRAM - Congress Avenue Storm Sewer - \$1,135,196.00 C.I.P. No. 75/40-09
---	---

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

Mayor Pro Tem Cooke moved that the Council adopt a resolution to approve the following contract:

DIAMOND ELECTRONICS c/o J. R. Woodruff Company 1400 West Belt North Houston, Texas	- Closed Circuit Television Equipment for Units #3 and #4 of Holly Plant, Electric Power Production. Items 1 thru 12 - \$11,722.50
---	---

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

STANDARD BANNER APPROVED

Mayor Pro Tem Cooke moved that the Council adopt a resolution to approve an additional standard banner location in the 6700 block of Airport Boulevard. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

TECHNICAL STUDIES GRANT

Mayor Pro Tem Cooke moved that the Council adopt a resolution to accept a Technical Studies Grant from the Urban Mass Transportation Administration, U. S. Department of Transportation in the amount of \$100,000. (Total project cost \$125,000; City's share \$25,000 in-kind services.) The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

ITEM WITHDRAWN

Consideration of authorization to negotiate CETA Title III Youth Employment and Training Program Contract with Region XIII Education Services Center for \$162,140 was withdrawn from the agenda.

HUMAN SERVICE PURCHASE OF SERVICE CONTRACTS

Mayor Pro Tem Cooke moved that the Council adopt a resolution to authorize entering into FY 1978-79 Human Services purchase of service contracts, beginning October 1, 1978 as follows:

Austin Association for Retarded Citizens	\$ 6,578
Austin Child Guidance Center	57,436
Austin Genetics Counseling	7,361
Boys' Club	12,898
Center for Battered Women	29,480
Community Bound	5,000
Development Assistance for Rehabilitation	53,643
Legal Aid Society of Central Texas	38,284
Middle Earth	15,750
United Action for the Elderly	39,746

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

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

FEDERAL COMMUNITY SERVICES ADMINISTRATION GRANT

Mayor Pro Tem Cooke moved that the Council adopt a resolution to accept a \$20,000 Federal Community Services Administration grant for a one-time only project to be delegated to Travis County. (\$12,000 Federal and \$8,000 County in-kind contribution.) The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

CONTRACTS EXTENDED

Mayor Pro Tem Cooke moved that the Council adopt a resolution to authorize extension of FY 1978 CETA Title III Youth Community Conservation Improvement Project contracts with Austin Area Urban League and SER Job for Progress for the period October 1, 1978, to November 30, 1978. (Extension of contracts will not require any additional monies.) The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

EMINENT DOMAIN SETTLEMENT

Mayor Pro Tem Cooke moved that the Council adopt a resolution to authorize a settlement in eminent domain case styled George B. Shepherd v. City of Austin, Case No. 202,111 in the 167th Judicial District Court of Travis County, Texas. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

PAVING ASSESSMENT PUBLIC HEARING SET

Mayor McClellan introduced the following ordinance:

AN ORDINANCE APPROVING AND ADOPTING THE WRITTEN STATEMENT AND REPORT OF THE DIRECTOR OF PUBLIC WORKS, SHOWING THE ESTIMATES OF THE TOTAL COSTS OF ALL THE IMPROVEMENTS, THE ESTIMATES OF THE COSTS PER FRONT FOOT PROPOSED TO BE ASSESSED AGAINST THE ABUTTING PROPERTY, AND THE REAL AND TRUE OWNERS THEREOF, AND THE ESTIMATES OF VARIOUS OTHER COSTS FOR THE IMPROVING OF PORTIONS OF SUNDRY STREETS IN THE CITY OF AUSTIN, TEXAS, WITHIN THE LIMITS HEREINBELOW DESCRIBED, AND OF OTHER MATTERS RELATING THERETO; DETERMINING AND FIXING THE PORTION OF SAID COSTS AND THE RATE THEREOF PROPOSED TO BE ASSESSED AGAINST AND PAID BY THE ABUTTING PROPERTY, AND THE REAL AND TRUE OWNERS THEREOF; DETERMINING THE NECESSITY OF LEVYING AN ASSESSMENT AGAINST SAID ABUTTING PROPERTY, AND THE REAL AND TRUE OWNERS THEREOF FOR THE PORTION OF SAID COSTS APPORTIONED TO THEM; ORDERING AND SETTING A HEARING AT 10:00 O'CLOCK A.M. ON THE 9TH DAY OF NOVEMBER, 1978, IN THE CITY OF AUSTIN MUNICIPAL ANNEX, AS THE TIME AND PLACE FOR THE HEARING OF THE REAL AND TRUE OWNERS OF SAID ABUTTING PROPERTY AND ALL OTHERS INTERESTED IN SAID ABUTTING PROPERTY OR IN ANY OF THE PROCEEDINGS AND CONTRACT CONCERNING SAID ASSESSMENTS, PROCEEDINGS AND IMPROVEMENTS; DIRECTING THE CITY MANAGER OF THE CITY OF AUSTIN, TEXAS, TO GIVE NOTICE OF SAID HEARING AS REQUIRED BY THE LAWS OF THE STATE OF TEXAS AND THE CHARTER OF THE CITY OF AUSTIN; DECLARING AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT IMMEDIATELY UPON ITS PASSAGE. (Springdale Road)

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

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE APPROVING AND ADOPTING THE WRITTEN STATEMENT AND REPORT OF THE DIRECTOR OF PUBLIC WORKS, SHOWING THE ESTIMATES OF THE TOTAL COSTS OF ALL THE IMPROVEMENTS, THE ESTIMATES OF THE COSTS PER FRONT FOOT PROPOSED TO BE ASSESSED AGAINST THE ABUTTING PROPERTY, AND THE REAL AND TRUE OWNERS THEREOF, AND THE ESTIMATES OF VARIOUS OTHER COSTS FOR THE IMPROVING OF PORTIONS OF SUNDRY STREETS IN THE CITY OF AUSTIN, TEXAS, WITHIN THE LIMITS HEREINBELOW DESCRIBED, AND OF OTHER MATTERS RELATING THERETO; DETERMINING AND FIXING THE PORTION OF SAID COSTS AND THE RATE THEREOF PROPOSED TO BE ASSESSED AGAINST AND PAID BY THE ABUTTING PROPERTY, AND THE REAL AND TRUE OWNERS THEREOF; DETERMINING THE NECESSITY OF LEVYING AN ASSESSMENT AGAINST SAID ABUTTING PROPERTY, AND THE REAL AND TRUE OWNERS THEREOF FOR THE PORTION OF SAID COSTS APPORTIONED TO THEM; ORDERING AND SETTING A HEARING AT 10:00 O'CLOCK A. M. ON THE 9TH DAY OF NOVEMBER, 1978, IN THE CITY OF AUSTIN MUNICIPAL ANNEX, AS THE TIME AND PLACE FOR THE HEARING OF THE REAL AND TRUE OWNERS OF SAID ABUTTING PROPERTY AND ALL OTHERS INTERESTED IN SAID ABUTTING PROPERTY OR IN ANY OF THE PROCEEDINGS AND CONTRACT CONCERNING SAID

ASSESSMENTS, PROCEEDINGS AND IMPROVEMENTS; DIRECTING THE CITY MANAGER OF THE CITY OF AUSTIN, TEXAS, TO GIVE NOTICE OF SAID HEARING AS REQUIRED BY THE LAWS OF THE STATE OF TEXAS AND THE CHARTER OF THE CITY OF AUSTIN; DECLARING AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT IMMEDIATELY UPON ITS PASSAGE. (Riverside Drive)

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

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

NASCO DRIVE

Mayor McClellan brought up the following ordinance for its second reading:

AN ORDINANCE VACATING AND PERPETUALLY CLOSING THAT CERTAIN PORTION OF NASCO DRIVE IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS; AND PROVIDING AN EFFECTIVE DATE.

The ordinance was read the second time, and Councilmember Goodman moved that it be passed to its third reading. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmember Mullen, Mayor McClellan, Mayor Pro Tem
Cooke, Councilmember Himmelblau
Noes: Councilmembers Snell, Trevino, Goodman

The Mayor announced that the ordinance had been passed through second reading only.

ZONING ORDINANCES

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

A 6.561-ACRE TRACT OF LAND, LOCALLY KNOWN AS THE SOUTHEAST CORNER OF LOOP 360 AND MOUNTAIN RIDGE; FROM "B" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT TO "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (John Lewis & Roy Bechtol, C14-78-143)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

TRACT 1: A 2.097 ACRE TRACT OF LAND; AND,

TRACT 2: A 10.612 ACRE TRACT OF LAND; SAID PROPERTY BEING LOCALLY KNOWN AS 7216 BEN WHITE BOULEVARD; FROM INTERIM "A" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "C" COMMERCIAL, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (John Joseph & Donald Thomas, C14-78-144)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

THE SOUTHERNMOST 120 FEET OF A 3.32 ACRE TRACT OF LAND, LOCALLY KNOWN AS 12023-12049 JOLLYVILLE ROAD AND 11936-12020 OAK KNOLL DRIVE; FROM INTERIM "AA" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "O" OFFICE, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (George Yonge, Robert A. Morris, J. B. Foshee & Nathan Morris, C14-78-146)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

A 0.051 ACRE TRACT OF LAND, LOCALLY KNOWN AS 309 WEST 21ST STREET, 311 WEST 21ST STREET, AND 2021 GUADALUPE STREET (WITHIN DOBIE CENTER); FROM "C" COMMERCIAL, FOURTH HEIGHT AND AREA DISTRICT TO "C-1" COMMERCIAL, FOURTH HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (Continental Assurance Company, C14-78-156)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

A 3.08 ACRE TRACT OF LAND, LOCALLY KNOWN AS 12150-12264 I. H. 35 NORTH, AND 401-501 YAGER LANE; FROM INTERIM "AA" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "O" OFFICE, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (The Hansen Trusts, C14-78-157)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

A 2,376 SQUARE FOOT TRACT OF LAND, LOCALLY KNOWN AS 1008 WEST AVENUE (BURLAGE-FISCHER HOUSE); FROM "O" OFFICE, SECOND HEIGHT AND AREA DISTRICT TO "O-H" OFFICE-HISTORIC, SECOND HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (Burlage-Fischer House, C14h-78-025)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

LOT 1, BLOCK 68, ORIGINAL CITY, LOCALLY KNOWN AS 200 EAST 6TH STREET (JACOBY-POPE BUILDING); FROM "C-2" COMMERCIAL, FOURTH HEIGHT AND AREA DISTRICT TO "C-2-H" COMMERCIAL-HISTORIC, FOURTH HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (Jacoby-Pope Building, C14h-78-035)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

TRACT 1: PORTIONS OF LOTS 11, 12, 26 AND 27, SHADOW LAWN; AND,

TRACT 2: PORTIONS OF LOTS 11 AND 27, SHADOW LAWN; SAID PROPERTY BEING LOCALLY KNOWN AS 3912 AVENUE G (COVERT HOUSE); FROM "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT TO "A-H" RESIDENCE-HISTORIC, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (Covert House, C14h-78-036)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau

Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

TRACT 1: A 2.111-ACRE TRACT OF LAND, FROM INTERIM "AA" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "GR" GENERAL RETAIL, FIRST HEIGHT AND AREA DISTRICT; AND,

TRACT 2: A 1.993-ACRE TRACT OF LAND, FROM INTERIM "AA" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "C" COMMERCIAL, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCALLY KNOWN AS 11730 RESEARCH BOULEVARD; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (Rex L. Reitz, C14-78-151)

Councilmember Goodman moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmember Goodman

Noes: None

Abstain: Councilmember Himmelblau

The Mayor announced that the ordinance had been finally passed.

SETTLEMENT OF GEORGE B. SHEPHERD v. CITY OF AUSTIN

Mayor McClellan introduced the following ordinance:

AN ORDINANCE TRANSFERRING \$250,000 FROM THE UTILITY FUND BALANCE TO THE C.I.P. DECKER LAND SETTLEMENT ACCOUNT AND APPROPRIATING \$250,000 FROM THE DECKER LAND SETTLEMENT ACCOUNT FOR THE PURPOSE OF PAYING THE SETTLEMENT IN GEORGE B. SHEPHERD V. CITY OF AUSTIN, CAUSE NO. 202,111, IN THE 167TH DISTRICT COURT OF TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THAT ORDINANCES BE READ ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

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

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None

The Mayor announced that the ordinance had been finally passed.

PARKING IMPROVEMENTS, MUNICIPAL ANNEX

Councilmember Trevino moved that the Council adopt a resolution to approve the following contract:

D. L. CURBOW CONSTRUCTION COMPANY	- CAPITAL IMPROVEMENTS PROGRAM -
223 West Anderson Lane	Parking Improvements, Municipal
Austin, Texas	Annex - \$21,261.22 CIP No. 78/79-01

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

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Mayor Pro
Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen
Noes: None

Councilmember Trevino asked if there would be parking slots available for City employees. Mr. German, Director of Public Works, said that all 92 slots will be for City employees.

SOUTH AUSTIN MULTIPURPOSE CENTER

Councilmember Trevino moved that the Council adopt a resolution to approve the following contract:

RICKS CONSTRUCTION COMPANY	- CAPITAL IMPROVEMENTS PROGRAM -
11900 North Lamar	South Austin Multipurpose Center -
Austin, Texas	\$1,429,000. C.I.P. No. 91/76-01

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

Ayes: Councilmember Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen, Snell
Noes: None

Councilmember Trevino said that MS. SCORRO LEOS, Chairperson of the South Austin Advisory Committee, had given him a letter to read into the record. He highlighted salient points of the letter as follows:

1. The Board requests that the contractors meet with the Board on October 12 (tonight);
2. The Board requests that the contractors' sign be at least 6 feet by 8 feet and that it be placed as soon as the contractor can arrange it;
3. The Board requests that an initial report be given by the City to the Board about today's action at the Board's October 12 meeting.

The Board would also like to request reports about construction progress and also requests appropriate City departments to assist the Board in implementing the ground breaking and ribbon cutting ceremonies to involve the City Council.

Mayor McClellan asked Mr. Davidson if these requests can be met and if the contractors can meet with the Board. Mr. Davidson said he would check and inform Council.

FIRM CHOSEN TO IMPLEMENT ECONOMIC DEVELOPMENT PROGRAM

The Council had before it for consideration a resolution contracting with firms to implement the Economic Development Program. Mr. Davidson stated: "As the City Council adopted your goals and objectives, one of which was to have a viable economic development effort effecting the central City, a number of components were approved by Council, including directing that a schematic plan be prepared by the Planning Department, which was presented yesterday, authorization of establishment of an economic development office and, I do intend to go ahead and appoint an individual responsible for that office. Another component would be to employ or engage a development oriented economic development firm that can take the schematic plan, refine it and work that into a very definite set of development objectives which could be considered by the City Council; prepare an actual development program for consideration of Council and establish contacts with prospective investors, lenders, developers and tenants. This step is necessary because of the underlying principle that the Council has stated about the need to get private enterprise directly involved with this effort. I feel that there is not now adequate expertise on the City staff in order to provide the kind of contacts, planning refinements and actual development proposals which are essential to get private enterprise involvement within the economic development effort. For that reason we have had conversations with a number of firms that are capable of doing this work. So, it is recommended that the City of Austin authorize a contract with the American City Corporation in order to carry out this component of the overall economic development program. The Council will notice that the work program is broken down into phases or tasks

and a definite timetable is established. With the announcement of the plan yesterday and some of the work on the agenda today, I think it is appropriate that we have for your consideration this contract at this time. Mr. Leo Moninaro, President of the American City Corporation, is here and will answer any questions you may have."

Councilmember Himmelblau stated, "Along with action on this I'd like it read into the Minutes that one of the related principles of the Planning Department report (page 2) should be: Development of the community's cultural resources to enhance the vitality and livability of the City."

Motion

Mayor Pro Tem Cooke moved that the Council contract with the American City Corporation to implement the Economic Development Program. The motion was seconded by Councilmember Himmelblau.

Mr. Cooke commented, "that the plan that citizens as well as this proposed contract from the schematic plan that was developed by the Planning Commission, and I guess my only comment is that from other plans that I've seen in other cities, a number of cities in the country trying to address this particular need have spent hundreds of thousands of dollars outside on independent firms to develop what our own Planning Department has developed in about 6 months, and I have to say wholeheartedly that I commend this excellent start by our own Planning Department." Mayor McClellan said she wanted to echo the remarks about the work that has already been done because Mr. Lillie and his staff have done a tremendous job with the overall schematic, which was presented to Council.

Substitute Motion

Councilmember Trevino made a substitute motion that the Council postpone decision on the firm chosen for implementation of the economic development plan for one week. The substitute motion was seconded by Councilmember Mullen.

Motion and Substitute Motion Withdrawn

Mr. Trevino commented that he had not had a chance to review the proposal. Council agreed to his request. Councilmember Himmelblau asked if this could be brought back in the afternoon or evening if Mr. Trevino is able to review the proposal. Mayor McClellan, after Councilmember Trevino agreed to that, announced that both the motion and substitute motion were withdrawn.

Later in the day Councilmember Trevino told Council that his aide had been able to review the proposal and Mr. Trevino agreed to the appointment of the recommended firm.

Motion

Councilmember Trevino moved that the Council adopt a resolution to contract with the American City Corporation firm to implement the Economic Development Program. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

CO-OP FAIR

Councilmember Trevino moved that the Council grant permission, as requested by MR. BRAD C. BOYD, WTPP Planning Committee Member, to use Town Lak Park/Auditorium Shores area, Saturday, October 28, 1978 (entire day) for a Co-op Fair. The motion, seconded by Councilmember Snell, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

REQUEST FOR REMISSION OF PENALTIES AGAINST ELECTRICIAN

Mr. Barr McClellan requested to appear under Citizens Communications to present material in support of petition for remission of penalties against M. B. DENTON. Mayor McClellan stated, "Let the Minutes reflect that I will not be participating in this decision," and excused herself from the Council dais.

MR. PAT BOND, attorney, appeared instead of Mr. McClellan and said that Mr. McClellan had withdrawn from the case and he was representing Mr. Denton. He said that his client, an electrician, had been called by Davis Hardware to send an electrician to their place of business because some plating had fallen off and exposed wires. There was no one available to go to Davis Hardware immediately, so Mr. Denton sent a restricted journeyman to replace the plate. Mr. Bond contended that this resulted in a fine to Mr. Denton in the amount of \$13.50, which he paid, not realizing the payment of same would result in an automatic suspension. He pleaded with Council to support the petition for remission of penalties against M. B. Denton and told Council that if this is not done, Mr. Denton will lose his license within 7 days and fifteen employees will lose their jobs, all because of a \$13.50 fine.

City Attorney Harris said he would comment in two areas, but since this is in litigation he would not make many comments. "In due course," he said, "it will be decided whether or not Mr. Denton is ever suspended. As to the matter of the pardon, the City Charter does provide that is a power of the City Council under circumstances which the Council must determine itself. If precedent is of any value, I have checked and haven't been able to determine any pardons granted in the past to give you guidance or precedential value. The only other comment I would conclude with is that the power is an extraordinary power which is the prerogative of the Council to exercise. However, at this time, as far as suspension goes, it has not actually occurred and as far as I know I'm not certain at this point whether the suspension will ever occur as to really necessitate the Council to exercise this particular power. Mr. Bond stated, "If you pardon the offense, then there will be no question of suspension." Councilmember Goodman told Mr. Bond that the Council is not a Courtroom and that he was not in a position to decide whether or not Mr. Denton should be pardoned. Mr. Bond went on to say that they did plead guilty to the violation because it

did occur as described. The conviction has not been appealed. What is in the Court is a legal question of the procedure involved...the constitutionality of it. After further discussion, Councilmember Goodman stated he knew the Council is in sympathy but did not feel the Council was in a position to make a decision and therefore recommended no action be taken. Councilmember Mullen told Mr. Bond and Mr. Denton that in the event his license is suspended, they should be able to come back to Council on an emergency basis.

No action was taken by Council.

TEMPORARY STREET CLOSING

Councilmember Himmelblau moved that the Council adopt a resolution to temporarily close 4th Street from Lavaca, 1/2 way to Colorado Street from 7:00 p.m. to 2:00 a.m., October 21, 1978, as requested by MR. DEXTER BULLARD of Gaslight Theatre. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None
Abstain: Councilmember Mullen.

Councilmember Himmelblau, before making the motion stated, "I noticed that the Police Department did not favor this and didn't want to vote on it until we had some comments from the Chief." Mr. Davidson said that the concern had to do with the fact that this is the same day and time as the UT-Arkansas football game and there was some feeling that this might create some conflicts with activities associated with crowds around the game. Mrs. Himmelblau said that this is at the opposite end of the City. Mr. Davidson said that he does not feel the objections are strong, but the department felt an obligation to bring it to the Council's attention. He stated that the Urban Transportation Department sees no problems from a traffic standpoint.

AGENDA ITEM POSTPONED

Councilmember Himmelblau moved that the Council postpone until October 19, 1978, consideration of options for administrative costs of CETA Title VI subcontractors. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmember Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen, Snell
Noes: None

BOND SALE

Mayor McClellan stated that the City Council of Austin had advertised that it would receive sealed bids until 10:30 a.m., CDT, this day for the City of Austin, Texas, \$77,780,000 worth of Texas Utility System Revenue Bonds, Series 4;

and \$13,300,000 worth of General Obligation Bonds, Various Purposes, Series 258. She inquired about the assembly of the bids and if all bids had been received and whether there were any others either through the mail, from members of the Council, the City Clerk, the Finance Administrator, or anyone present in the Council Chamber. It was determined no other bids had been received. The Mayor announced that it was 10:30 a.m., and the time for receiving bids was closed.

Mr. Norman Barker, Finance Administrator, then opened and read three bids on \$77,780,000 City of Austin, Texas Utility System Revenue Bonds, Series 4; and six bids on \$13,300,000 General Obligation Bonds, Various Purposes, Series 258, as follows on the following three pages:

CITY OF AUSTIN, TEXAS
TABULATION OF BIDS RECEIVED ON
\$77,780,000 UTILITY SYSTEM REVENUE BONDS, SERIES 4
OCTOBER 12, 1978

		COUNCIL MEMO				
Name of Bidder	Maturity Dates	Nominal Interest Rate	Gross Interest Cost	Premium Offered	Net Interest Cost	Effective Interest Rate
1. The First Boston Corporation and Associates	Oct. 1, 1981 thru Oct. 1, 1992	6.75 %				
	Oct. 1, 1993	5.90				
	Oct. 1, 1994 thru Oct. 1, 1997	5.75				
	Oct. 1, 1998	5.80				
	Oct. 1, 1999	5.90				
	Oct. 1, 2000 thru Oct. 1, 2005	6.00	\$100,425,200.00	\$4,336.00	\$100,420,864.00	6.022 %
2. Donaldson, Lufkin & Jenrette	Oct. 1, 1981					
	Oct. 1, 1982 thru Oct. 1, 1992	6.50 %				
	Oct. 1, 1993	6.70				
	Oct. 1, 1994 thru Oct. 1, 1997	6.50				
	Oct. 1, 1998	5.70				
	Oct. 1, 1999	5.80				
	Oct. 1, 2000	5.90				
	Oct. 1, 2001 thru Oct. 1, 2002	6.00				
	Oct. 1, 2003 thru Oct. 1, 2004	6.10				
	Oct. 1, 2005	6.20				
3. Salomon Brothers and Associates	Oct. 1, 1981 thru Oct. 1, 1993	5.75	\$101,204,794.13	\$ 496.63	\$101,204,297.50	6.06923 %
	Oct. 1, 1994					
	Oct. 1, 1995	6.50 %				
	Oct. 1, 1996	5.70				
	Oct. 1, 1997	5.50				
	Oct. 1, 1998	5.60				
	Oct. 1, 1999	5.70				
	Oct. 1, 2000	5.80				
	Oct. 1, 2001 thru Oct. 1, 2005	5.90	\$101,424,100.00	\$7,075.20	\$101,417,024.80	6.081 %
		6.00				

October 12, 1978

* * * * *

CITY OF AUSTIN, TEXAS
TABULATION OF BIDS RECEIVED ON
\$13,300,000 GENERAL OBLIGATION BONDS, SERIES 258
OCTOBER 12, 1978

Name of Bidder	Maturity Dates	Nominal Interest Rate	Gross Interest Cost	Premium Offered	Net Interest Cost	Effective Interest Rate	COUNCIL MEMO
1. Bankers Trust Company and Associates	Jan. 1, 1980 thru Jan. 1, 1993	5.50 %					
	Jan. 1, 1994 thru Jan. 1, 1995	5.10					
	Jan. 1, 1996	5.20					
	Jan. 1, 1997	5.25					
	Jan. 1, 1998 thru Jan. 1, 2001	5.40					
	Jan. 1, 2002 thru Jan. 1, 2003	4.50	\$8,933,618.72	\$1,085.50	\$8,932,533.22	5.2336 %	
2. Republic National Bank of Dallas, First Southwest Company and Associates	Jan. 1, 1980 thru Jan. 1, 1987	6.00 %					
	Jan. 1, 1988	5.40					
	Jan. 1, 1989 thru Jan. 1, 1994	5.00					
	Jan. 1, 1995	5.15					
	Jan. 1, 1996	5.20					
	Jan. 1, 1997	5.30					
	Jan. 1, 1998 thru Jan. 1, 2000	5.40					
	Jan. 1, 2001 thru Jan. 1, 2003	5.00	\$8,959,243.75	\$1,200.00	\$8,958,043.75	5.2485 %	
3. First City National Bank of Houston and Associates	Jan. 1, 1980 thru Jan. 1, 1982	6.00					
	Jan. 1, 1983	5.25					
	Jan. 1, 1984 thru Jan. 1, 1993	5.00					
	Jan. 1, 1994	5.05					
	Jan. 1, 1995	5.10					
	Jan. 1, 1996	5.20					
	Jan. 1, 1997	5.30					
	Jan. 1, 1998	5.40					
	Jan. 1, 1999	5.45					
	Jan. 1, 2000 thru Jan. 1, 2003	5.50	\$8,993,531.25	\$ -0-	\$8,993,531.25	5.269 %	

October 12, 1978

CITY OF AUSTIN, TEXAS
TABULATION OF BIDS RECEIVED ON
\$ 13,300,000 GENERAL OBLIGATION BONDS, SERIES 258
OCTOBER 12, 1978

Name of Bidder	Maturity Dates	Nominal Interest Rate	Gross Interest Cost	Premium Offered	Net Interest Cost	Effective Interest Rate	COUNCIL MEMO
4. First National Bank in Dallas and Associates	Jan. 1, 1980 thru Jan. 1, 1991	5.75 %					
	Jan. 1, 1992 thru Jan. 1, 1993	5.00					
	Jan. 1, 1994	5.10					
	Jan. 1, 1995	5.20					
	Jan. 1, 1996 thru Jan. 1, 1997	5.30					
	Jan. 1, 1998 thru Jan. 1, 1999	5.40					
	Jan. 1, 2000	5.50					
	Jan. 1, 2001 thru Jan. 1, 2003	4.75	\$8,996,206.27	\$1,813.00	\$8,994,393.27	5.2698 %	
	Jan. 1, 1980 thru Jan. 1, 1990	5.75 %					
	Jan. 1, 1991	5.70					
5. Morgan Guaranty Trust Company of New York, Donaldson, Lufkin & Jenrette Sec. Corp., in association with Solomon Brothers and Associates	Jan. 1, 1992 thru Jan. 1, 1994	5.10					
	Jan. 1, 1995	5.20					
	Jan. 1, 1996 thru Jan. 1, 1997	5.30					
	Jan. 1, 1998 thru Jan. 1, 1999	5.40					
	Jan. 1, 2000	5.50					
	Jan. 1, 2001 thru Jan. 1, 2003	4.75	\$9,007,962.00	\$ 625.00	\$9,007,337.00	5.2774 %	
	Jan. 1, 1980	5.40 %					
	Jan. 1, 1981 thru Jan. 1, 1989	5.75					
	Jan. 1, 1990	5.50					
	Jan. 1, 1991 thru Jan. 1, 1993	5.00					
6. Bache Halsey Stuart Shields, Inc.	Jan. 1, 1994	5.10					
	Jan. 1, 1995	5.20					
	Jan. 1, 1996	5.30					
	Jan. 1, 1997 thru Jan. 1, 1998	5.40					
	Jan. 1, 1999 thru Jan. 1, 2001	5.50					
	Jan. 1, 2002 thru Jan. 1, 2003	4.75	\$9,040,756.25	\$ 784.70	\$9,039,971.55	5.2966 %	
	Jan. 1, 1980	5.40 %					
	Jan. 1, 1981 thru Jan. 1, 1989	5.75					
	Jan. 1, 1990	5.50					
	Jan. 1, 1991 thru Jan. 1, 1993	5.00					

October 12, 1978

Mayor McClellan referred the bids to Mr. Barker and Mr. Curtis Adrian, First Southwest Company, for verification. Before they left the Council Chamber to do so, Councilmember Goodman indicated he had a question, which was, "What is our legal obligation at this particular point, at this time, October 12, to issue the nuclear bonds? Do we have to do it this week?" Mr. Harris, City Attorney stated, "I don't think I can answer whether we have to do it this week, because that's tied to our legal obligation to make our financial payments which are basically under contract. We are legally bound to make payments for our share of the project as we are billed by the project manager for that work, or to suffer the consequences for not living up to that legal obligation. So the finance people would be better able to address when we are going to need the money to meet our legal obligations to make payments under the contract." Mr. Barker stated, "The contemplated delivery of these bonds and the receipt of the money thereto is November the 14th. Progress payments on the South Texas Project, as well as all other projects that the City is engaged in come in every day. We have not received all of the billings due and payable for work done in September, 1978. We'll get more project costs for all projects including South Texas Project, this month, next month, and so on. It is anticipated that we will run out of South Texas Project money in December, 1978, which will be used for obligations incurred in November, 1978." Councilmember Goodman asked, "What happens if we get a bill in January or February and we are unable to pay that bill because our funds are going to expire in December of this year." Mr. Harris replied, "If we cannot make those payments...basically the South Texas Project agreement states the other parties can choose one or more of them to cover our payments, and if our payments default, and payment is not remedied for a period of six months, then the default provision of the South Texas Project agreement is triggered and that gives the other participants, one or more, the right to do several things, one of which is to purchase all or a portion of our 16% interest, at our cost."

Councilmember Goodman said, "Let's assume that we are going to accept these bonds, does that necessarily mean that we have to pay STP its \$22,260,000, or can we withhold that money while we make a determination concerning our status in that project? If we refuse to pay the next bill, and we are going to run out anyway and the citizens are going to have to vote before we are able to complete our payments because we don't have enough to complete our payments because the project has risen almost double in cost, so say for example, we defaulted now and we held an election in January and citizens said, stay in it, well, we make that payment which we got and has been authorized by the bond company and we go out and get more bonds to authorize and continue making payments. If they say no, we only have \$100,000,000 out on the line instead of \$122,000,000 and we would then be in a negotiation stage with a bunch of lawyers, trying to get out of the project and selling it."

Discussion followed between Councilmembers, Mr. Harris, Mr. Barker and Mr. Davidson concerning the impact that default of payments would have on the City's credit standing.

Mr. Barker and Mr. Adrian then left the Council Chamber to verify the bids.

During the interim, before they re-entered the Council Chamber with verification of the bond sale, the City Council continued to hear, discuss and vote on agenda items.

Mr. Barker and Mr. Adrian returned to the Council Chamber and were asked by Mayor McClellan if they had verified the bids. Mr. Barker answered that they had and recommended that the award of bid for \$78,780,000 Utility System Revenue Bonds, Series 4, should go to The First Boston Corporation and Associates at an effective interest rate of 6.022%. Mr. Barker also recommended that award of bid for the \$13,300,000 in General Obligation Bonds, Series 258, should go to Bankers Trust Company and Associates at an effective interest rate of 5.2336%.

Mr. Adrian addressed Mayor McClellan and Council and told them, "This is an excellent sale, but before we get into that I'd like to dwell briefly on the fact that Austin's General Obligation bond rating was improved by Standard & Poor's as a result of the last meeting we had with them and of course as a result of the fine credit that the City of Austin enjoys. This rating was improved from a "AA" to "AA+" which we estimate to mean to the City of Austin in interest savings at least 5 to 10 basis points on the sale of their bonds." Mayor McClellan interjected, "This is something this Council addressed and set as a matter of policy and we have now seen the improvement up. A year ago, after we came into office, we talked about building up that General Fund ending balance...it had dipped down very low. That was something Standard & Poors had particularly pointed out to us. We made a commitment a year ago and went back this year and had more than fulfilled that commitment."

Mr. Adrian continued, "The Dow-Jones averages as of the beginning of this week is 6.60%. This is nation-wide. The revenue bonds, as Mr. Barker stated sold at 6.022% which is 58 basis points under the Dow-Jones averages. Now to relate this to dollars this is a savings in interest costs of some \$9,671,803.00. On our last sale May 4, 1978, the bonds sold 28 basis points under Dow-Jones averages. This time they sold 58 basis points under the Dow-Jones averages. The interest rate last time was higher, 6.2735%. On the General Obligation bonds the bonds sold at an effective interest rate of 5.2336%. This is 137 basis points under Dow-Jones averages which represents an interest savings of some \$2,338,261.00. To compare that interest rate with the last General Obligation sale of the City, which was September 29, 1977, those bonds sold at 130 basis points under Dow-Jones averages. All in all, relating this to dollars on the G.O. bonds this is \$2,338,261.00. I feel you received excellent bids and I congratulate the City on the fine credit which you maintain through the years, and obviously you are headed in the same direction."

Motion

Mayor Pro Tem Cooke moved that the Council adopt a resolution approving the official statement as of the date of sale of the bonds and authorizing certificate at the time of payment for and delivery of the bonds, \$77,780,000 City of Austin, Texas Utility System Revenue Bonds, Series 4, at an effective interest rate of 6.022%. The motion, seconded by Councilmember Mullen, carried by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Goodman, Himmelblau, Mullen, Snell, Trevino
Noes: None

The Mayor presented for the City Council's consideration an ordinance authorizing the issuance of \$77,780,000 in revenue bonds, the caption of said ordinance being as follows:

"ORDINANCE NO. 781012A

"AN ORDINANCE by the City Council of the City of Austin, Texas, authorizing the issuance of \$77,780,000 'CITY OF AUSTIN, TEXAS, UTILITY SYSTEM REVENUE BONDS, SERIES 4,' dated October 1, 1978, for the purposes stated in this ordinance; pledging the net revenues of the City's combined Electric Light and Power, Waterworks and Sewer System to the payment of the principal of and interest on said bonds after providing for the payments required by the ordinances authorizing issuance of the first lien bonds; providing certain covenants pertaining to the bonds similarly secured (including the bonds herein authorized) and the funds from which same are to be paid; enacting provisions incident and relating to the subject and purpose of this ordinance and declaring an emergency."

The ordinance was read and Council Member Cooke moved that the rule be suspended which requires that no ordinance shall become effective until the expiration of ten days following the date of its final passage, that such ordinance be finally passed and adopted at this meeting, and that, for the reasons recited therein, said ordinance be passed as an emergency measure for the immediate preservation of the public peace, health, and safety of the citizens of Austin as permitted by the City Charter. The motion was seconded by Council Member Mullen and carried by the following vote:

Ayes: Mayor McClellan and Council Members Cooke, Goodman, Trevino, Mullen, Himmelblau and Snell.

Noes: None.

The ordinance was read the second time and Council Member Cooke moved that the rules be further suspended and that the ordinance be passed as an emergency measure to its third reading. The motion was seconded by Council Member Mullen and carried by the following vote:

Ayes: Mayor McClellan and Council Members Cooke, Goodman, Trevino, Mullen, Himmelblau and Snell.

Noes: None.

The ordinance was read the third time and Council Member Cooke moved that the ordinance be finally passed as an emergency measure. The motion was seconded by Council Member Mullen and carried by the following vote:

Ayes: Mayor McClellan and Council Members Cooke, Goodman, Trevino, Mullen, Himmelblau and Snell.

Noes: None.

The Mayor then announced that the ordinance had been finally passed and adopted.

Councilmember Goodman stated at the time of roll call, "I vote yes, and as before I register my objection to our continued participation in the South Texas Project."

Motion

Mayor Pro Tem Cooke moved that the Council adopt a resolution approving the official statement as of the date of sale of the bonds and authorizing certificate at the time of payment for and delivery of the bonds, \$13,300,000 General Obligation Bonds, Various Purposes, Series 258, at an effective interest rate of 5.2336%. The motion, seconded by Councilmember Mullen, carried by the following vote:

Ayes: Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen, Snell, Trevino, Mayor McClellan
Noes: None

The Mayor presented for the City Council's consideration an ordinance authorizing the issuance of \$13,300,000 in general obligation bonds, the caption of said ordinance being as follows:

"ORDINANCE NO. 781012B

"AN ORDINANCE by the City Council of the City of Austin, Texas, authorizing the issuance of \$13,300,000 'CITY OF AUSTIN, TEXAS, GENERAL OBLIGATION BONDS, SERIES 258,' dated October 1, 1978, for various purposes hereinafter provided; pre-scripting the form of the bonds and the form of the interest coupons; levying a continuing direct annual ad valorem tax on all taxable property within the limits of said City to pay the interest on said bonds and to create a sinking fund for the redemption thereof, and providing for the assessment and collection of such taxes; enacting provisions incident and relating to the purpose and subject of this ordinance, and declaring an emergency."

The ordinance was read and Council Member Cooke moved that the rule be suspended which requires that no ordinance shall become effective until the expiration of ten days following the date of its final passage, that such ordinance be finally passed and adopted at this meeting, and that, for the reasons recited therein, said ordinance be passed as an emergency measure for the immediate preservation of the public peace, health, and safety of the citizens of Austin as premitted by the City Charter. The motion was seconded by Council Member Himmelblau and carried by the following vote:

Ayes: Mayor McClellan, Council Members Cooke, Goodman, Trevino, Mullen, Himmelblau and Snell.

Noes: None.

The ordinance was read the second time and Council Member Cooke moved that the rules be further suspended and that the ordinance be passed as an emergency measure to its third reading. The motion was seconded by Council Member Himmelblau and carried by the following vote:

Ayes: Mayor McClellan, Council Members Cooke, Goodman, Trevino, Mullen, Himmelblau and Snell.

Noes: None.

The ordinance was read the third time and Council Member Cooke moved that the ordinance be finally passed as an emergency measure. The motion was seconded by Council Member Himmelblau and carried by the following vote:

Ayes: Mayor McClellan, Council Members Cooke, Goodman, Trevino, Mullen, Himmelblau and Snell.

Noes: None.

The Mayor then announced that the ordinance had been finally passed and adopted.

PUBLIC HEARINGS ON "GROWTH MANAGEMENT PROCESS" AND ANNEXATION STUDY

Mayor McClellan opened the public hearings scheduled for 10:00 a.m. on the "Growth Management Process," Chapter 4 of Comprehensive Plan, and on the Annexation Study.

MS. SALLY SHIPMAN, Chairman of the Sub-Committee of the Planning Commission that worked on Chapter 4, appeared before Council, and told them that the document they have before them has the unanimous support of the Planning Commission.

Mr. Richard Lillie, Director of Planning, appeared before Council and told them that the report submitted to them by the Planning Commission is, in their opinion, a very positive statement. "There is no language in the report that says, 'Thou shalt not develop in any area.' You can develop! The City Council has, through this annexation study and the Capital Improvements Program (C.I.P.) the guidelines to make the decisions on how, why, when and where the City facilities are going to be extended. The last portion of the report deals with the monitoring program. Most comprehensive plans, once they are adopted by Council are simply left alone but both Commissions felt it was very important to bring back to Council annually a report on accomplishments of the Goals and Objectives and policies that are stated in here. The Austin Tomorrow On-Going Committee is currently working on their first annual report and should be to you in the next several months. When one looks at the future growth of the community, and the estimates are that by 1995 we should be, in the County, over 650,000 people, one has to begin to be concerned as to how they will handle that growth. State legislation is very weak in Texas on the ability of cities to plan for their future. About our only authority is subdivision jurisdiction outside of the corporate limits. So it is important that a position on annexation is taken, at least directed by the City Council on how we are going to

approach and take care of this growth as it comes our way. The question is not whether the area is going to grow but where, when, how and why kinds of questions.

"The annexation plan begins to tie annexation direction to a comprehensive plan and that once annexation policies are understood and adopted by the Council, the Capital Improvements Project follows behind as to the timing and location of major public facilities. The plan that you have also discusses the obligations and restrictions and constraints to the City under the 1963 Municipal Annexation Act. It outlines the requirements the City has to provide basic services and facilities and whatever authority that the City has under that statute. It also identifies property owners regarding services, facilities, ordinances and taxes as it would effect them individually. The anticipated population of the City and area is forecasted and the ethnic composition of that growth is estimated and forecasted and distributed so that we can respond to the voting rights act and we can respond to the school districts boundaries and help inform other jurisdictions as to what the plans are for the City. The plan was written and carried out trying as much as possible to follow the guidelines of the Council's previous policies on annexation. There are seven:

1. Equitable apportionment of cost to provide services;
2. Encouraging stable and desirable development through uniform application of health and sanitation, planning and building codes;
3. Encouraging cooperative relationships with other communities;
4. Economic use of private and public funds for community development;
5. Enabling all citizens to know and rely on equitable, orderly and sound criteria for annexation;
6. Annexation of land requested by the owner unless adverse to the taxpayers;
7. And, annexation of property initiated by the City in the interest of community for municipal purposes such as orderly planning, streets, bridges, drainage, utilities, adequate fire, police and sanitation services.

"The factors used in the development of the annexation plan included comprehensive plan objectives, consideration of areas of fewest development constraints for urbanization, the City and other governmental of commitments made for utilities, roads, parksites and other capital improvements, school district boundaries, private development trends, consideration of annexation by major patterns as opposed to small areas and the fiscal comparison of alternatives. This plan has been considered by the Planning Commission and I have placed before you the Minutes of their meeting of last Tuesday. It is their request that the Council hold another public hearing today on this plan and to refer it back to them for some more work on tightening up the fiscal statements and also doing some revision on the population estimates."

MR. JIM WELLS, Chairman, Austin Tomorrow On-Going Committee, gave Council the recommendations of the Committee which are:

1. The City needs legal capabilities that it doesn't currently have, and should pursue acquiring these.
2. Fiscal soundness of annexation should include a careful assessment of immediate and long-term effect.
3. Annexation should be used to encourage growth in certain areas, as well as to respond to market forces.
4. Odd Year Comprehensive Growth Management Reports and the Capital Improvement Programs should assess fiscal, dynamics, and quality-of-life issues and effects of annexation.

ROGER DUNCAN delivered to Council the Environmental Board report on Chapter 4 as well as the annexation. He went over the recommended changes and said he would deliver typed copies to the Councilmembers on Friday. (City Clerk did not receive a copy.)

MS. SALLY WITLIFF, representing We Care Austin, stated that they are very pleased with Chapter 4 and want it passed immediately.

MS. REAGAN GAMAN, representing We Care Austin, said they felt a definite commitment has been made by the City to support the Austin Tomorrow Comprehensive Plan which was formulated with input from the citizens and they think that commitment should be reflected in any annexation plan. She said they support the philosophy behind Plan A of the proposal. They would favor a moratorium on all annexation in all areas effecting Lake Austin and its watershed until a permanent Lake Austin Plan is adopted. They also support strict performance standards to protect the water quality of Barton Creek.

MR. ELMER HOHLE told Council that he lives in the left side of tip 40 and he does not think it will do much good to beg the Council not to annex him, but he is asking anyway. He said that is the request of himself and all the people living near him.

BARBARA CILLEY said she had some questions of Mr. Harris on the legal capabilities. She asked if the adoption of this plan constitutes the basis of denial for approach mains and/or oversizes? Mr. Harris answered that consistent with that policy it forms a basis for City Council action, but there are problems that must be worked out. He continued that in Texas State law there is an absence of statutory authority, like there are in other states that have master plan statutes, that forms a firm legal basis for authorizing something that is not in compliance with the statutorily established master plan. We are going to have to grow with it and work with it, he continued, and as a result there are not some of the solid answers they would like to have. Ms. Cilley asked, "In the absence of such state statutes, under the home rule City power, would we not be able to promulgate an ordinance which would constitute denial, with adoption, of these two things." Mr. Harris answered, "It's not quite that simple because the state has gotten into the area of planning somewhat and it is telling us what we can do in the way of control. It's not quite so simple that the state has left a total void. We have a free hand, we have to look at

the annexation statutes, the subdivision statutes...how far our zoning authority goes, our duties and responsibilities as a public utility. Instead of having a master plan constutatory dealing with all of these things we have a little difficulty in determining precisely where the limits are because we have to look here under the subdivision ordinance and under other things. We have to work these things out more on a case by case basis and answer charges. I cannot, in good faith, answer that question yes, that anything we put in this plan will form an absolute legal basis for doing anything in connection with that plan." Ms. Cilley then asked, "Is it possible to get a more detailed legal memo on what would help us out on this problem, because I see as a result of the adoption of the annexation plan some legal statutes which would help us to deny approach mains and/or sewer taps and I know that as a citizen I probably can't make that request from you but I'm asking Council to make that request." The Mayor said she thought it was a very good request and that Council needs that information, too. Ms. Cilley asked if she could have a copy when the memo is completed.

BRIAN DUDLEY, a transportation planner for Travis County, appeared before Council, and said his request was for Council to heed the Planning Commission's directions and send the annexation study back to them for refinement. Mayor McClellan asked what sort of time frame this would involve, and Mr. Lillie said that the plan should be ready by the end of the year.

KEN MANNING of the Sierra Club addressed Council by saying that growth management is something the majority of Austinites support. He said he questioned whether or not Chapter 4 provides Austin with the basis needed to move forward with the growth management that will produce benefits they hope to achieve. According to U.S. Federal Court decisions, he said there are some things we can at least try to do. Presently, Texas law is rather vague on the things that need to be done and as a result most municipalities are reluctant to go into a gray area because they realize they probably will end up in Court to resolve an issue. Austin will have to commit itself, take some issues that have not been tested in Court and if that does not work, take it to the Legislature.

ROY BECHTOL appeared before Council and commented that considerable municipal funds have been spent and consequently commitments have been made to Loop 360 and also the crosstown sewer project. He feels that with annexation Alternate B or modifications to Alternate A are definitely necessary to realistically respond to the tremendous fiscal commitment. He feels that each project should be considered on its individual merit.

MS. NANCY BENE, League of Women Voters of Austin, recommended that Chapter 4 be adopted immediately. She asked that the Annexation Study be sent back to the Planning Commission for more work because the "statistics are not good."

Motion

Councilmember Goodman moved that the Council close the public hearing on "Growth Management Process," Chapter 4 of Comprehensive Plan, and instruct the City Attorney to prepare a resolution for the November 2, 1978, meeting. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Goodman, Himmelblau, Mullen, Snell,
Trevino, Mayor McClellan, Mayor Pro Tem Cooke
Noes: None

Motion

Councilmember Goodman moved that the Council close the public hearing on the Annexation Study, send it back to the Planning Commission with a request for a 3rd option. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Goodman, Himmelblau, Mullen, Snell,
Trevino, Mayor McClellan, Mayor Pro Tem Cooke
Noes: None

PUBLIC HEARING ON SOUTHERN UNION GAS COMPANY'S STATEMENT OF INTENT TO CHANGE
RATES FOR THE CENTRAL TEXAS DISTRICT AND FOR THE UNIVERSITY OF TEXAS

Mayor McClellan opened the public hearing scheduled for 2:00 p.m. on Southern Union Gas Company's Statement of Intent to change rates for the Central Texas District and for the University of Texas. The Mayor stated that the company's statement of intent to change rates for Austin was filed with the City Council on June 12, 1978, and that the new rates were scheduled to go into effect on July 18, 1978. On July 6th, the Council passed a resolution suspending implementation of the proposed new rates for at least 120 days so that the firm of Hess & Lim could analyze the rates and report back to the Council. The Mayor stated that the company's statement of intent to change rates for service to the University of Texas was filed with the Council on June 22, 1978, and that the new rates for U.T. were scheduled to go into effect on September 1, 1978. She stated that the rates for U.T. have been agreed to by the University. Mayor McClellan stated that the Council also passed a resolution suspending the permanent implementation of the U.T. rates, pending an analysis and report from Hess & Lim. However, the Council did authorize the implementation of the

proposed U.T. rates on a temporary basis. Mayor McClellan indicated that Hess & Lim has concluded its analysis and report, and that that report has been submitted to the Council, to Southern Union Gas Company, the University of Texas, and the Texas Association of Community Organizations for Reform Now (ACORN). She pointed out that ACORN has filed a formal intervention in the matter. Mayor McClellan stated that the Hess & Lim report is available for anyone who is interested in it.

MR. GEORGE HESS, representing the firm of Hess & Lim, told the Council that the proposed rate suggested by Southern Union would result in an increase of some \$3.9 million. This increase would be over and above the increases that they are presently passing along through the purchased gas adjustment clause. Consequently, this relates only to costs other than purchased gas. Mr. Hess stated that this increase would amount to about 45% of such other costs. He stated that, in his firm's report, they were recommending an increase of about \$700,000 which in terms of costs other than the purchase of gas cost, is 8.2%. Mr. Hess pointed out that Southern Union is asking for a rate of return on common equity of 21.9%. Mr. Hess indicated that they believed that 12.75% would be a reasonable rate of return for the utility to earn on its common equity. Mr. Hess stated that resolution of the differences between suggested common equity would solve the problem of what is the proper adjustment to reproduction costs for age and condition. He indicated that Southern Union proposed to use a year end rate base and attempts adjustments to restate revenues and expenses to levels that would have prevailed had customers at the year end been served for an entire year. Mr. Hess stated that they believed the more proper way to do it would be to relate income for a 12-month period to the plant that produced that income, which would be the average plant in service for the year. He stated that they also disagreed with Southern Union on the inclusion of construction work in progress in the rate base. Mr. Hess stated that they did not think it was necessary to the company's financial integrity, to include construction work in progress in the rate base. He stated that they felt it should be excluded and that the company should be compensated for construction work while it's in progress by capitalizing the cost of construction funds and included that as the part of the total cost of plant to be recovered from all customers who use the plant after it goes in service. Mr. Hess stated that they also disagree with the company over the matter of customer contributed capital. He stated that Southern Union has recorded on its books, deferred Federal income tax. He stated that deferred Federal income taxes are amounts which the company has collected from ratepayers in excess of the income taxes as paid to the Federal government. Mr. Hess stated that they considered that to be customer contributed capital, and that the customer has supplied that through the rates. Mr. Hess stated that they did not believe that the customer should have to pay a rate of return on money that the customer has supplied. He stated that they have deducted all accumulated deferred income taxes in arriving at their rate base. Southern Union would deduct only a part of it, namely, the part that's equivalent to working capital. Mr. Hess stated that there are certain deductions that are allowed currently for tax purposes but are not taken for book purposes. He stated that capitalized overheads for tax purposes are deducted immediately, whereas for book purposes they are capitalized and then recovered over the life of the property. He stated that there are certain investment tax credits that the company has not reflected. Mr. Hess stated that they believe that the taxes that are charged to ratepayers should be equal to the actual taxes that are going to be paid. He stated that they did not believe in charging fictional amounts for income taxes that are not going to be paid.

Mr. Hess stated that another difference between Hess & Lim and Southern Union concerned the depreciation rate. He stated that Southern Union proposes reducing the salvage used in calculating their straight line depreciation rate, from 15% to 0%. He stated that the life the company was using of 30 years was too short. Mr. Hess stated that they did not make the adjustment which Southern Union is proposing concerning depreciation expense. Mr. Hess pointed out that in their report they concluded that an increase of 5.4¢ per MCF is required in order to produce the \$700,000 of additional revenue. He stated, however, that the proposed ordinance will show an increase across the board of 10¢ per MCF. He stated that the reason for the difference was that Southern Union has proposed that late payment penalty provision of it's rates be deleted. They are now collecting some \$526,000 of revenue under that provision. Mr. Hess indicated that if this provision is deleted, then an additional 4¢ per MCF is necessary to offset that revenue. In regard to Southern Union asking for an increase of 32¢ per MCF, Mr. Hess pointed out that with the actual schedules the increases would be 36¢ per MCF for large volume and special contract rates, whereas they are 41¢ per MCF for the small volume and air conditioning rates. He stated that the reason for this difference was that 4¢ of it was related to the elimination of the late payment penalty and the remaining 5¢ relates to an adjustment Southern Union would make for elasticity or an anticipated decline in use if their proposed rate goes into effect.

In regard to a question from Councilmember Mullen concerning the late charges, Mr. Hess indicated that the company's statement of intent and the tables in the report include revenues of approximately \$526,000 from the late payment charge. He stated that if this source of revenue no longer exists, then in order to come back to the same revenue level the company would have to raise rates by about 4¢ per MCF. Mr. Hess stated that he did not make a recommendation concerning this because he has not personally had a problem with late payment penalties. Councilmember Mullen felt like this would be asking persons who paid their bills promptly to pay more for persons who did not pay their bills on time. Mr. Hess indicated that this was correct. Mr. Hess felt that the persons who pay late should bear the consequences. However, he stated that this was not a matter that was very easily determined. In response to a question from Councilmember Mullen, Mr. Hess indicated that he had no data concerning what the revenue impact would be if the payment clause is changed from 10 days to 30 days. In response to a question from Mayor Pro Tem Cooke, Mr. Hess stated that the shortest payment period he has ever seen was 10 days and that the average period usually ran from about 15 to 20 days. Councilmember Himmelblau asked Mr. Hess to comment on the meter charge, especially if a meter is turned off for 2 or 3 months out of the year and the meter charge continues to be charged and is also increased in the schedule. Mr. Hess stated that he could not speak to this because he was not aware of this.

MR. BOB LACZKO, District Vice-President for Southern Union Gas Company, made himself available for questions from the Council. Councilmember Himmelblau asked Mr. Laczko if he could speak to the validity of the meter charge. She asked why charges should increase for meters which are in place and not moved. Mr. Laczko stated that the charge being referred to is what's called a minimum bill. He stated that a minimum bill is charged to cover the cost of the utility plant and also to cover certain expenses which continue for rendering a bill even though no consumption is used. Such expenses include the meter reader, bill computerization and mailing charges. Councilmember Mullen asked about the late payment penalty.

Mr. Laczko indicated that he had no experience in shifting a late payment penalty period. He stated that the 10-day period currently utilized by the company is called a net gross payment provision. He stated that the period was 15 days at 10% and, effective with bills rendered on or after the first of May, 1978, the Railroad Commission in an order in Docket #827 and 1093 reduced the percentage from 10% to 5.3% and decreased the net pay period from 15 days to 10 days. Mr. Laczko pointed out that they have not yet had a sufficient time to really analyze what the effect of the reduction in period is. Councilmember Mullen asked Mr. Laczko what his feeling was about going to 30 days and keeping the late charge on. Mr. Laczko stated that if the company went to a 30-day period, they would have to completely remodel its entire accounting procedure. Mr. Hess stated that he could see where a change to a 30-day period would be a problem for the company but indicated that he did not see any problem with changing to a 20-day period. In response to a question from Councilmember Mullen, City Manager Davidson indicated that he would find out what effect changing to a 28-30 day period has had on the City electric utility system.

MR. STEPHEN GARDNER, attorney for the Legal Aid Society of Central Texas representing ACORN, asked Mr. Hess if Southern Union's expenses included any amounts for advertising. Mr. Hess indicated that they did. Mr. Gardner asked Mr. Hess to give an account of the types of advertising used by a utility company. Mr. Hess stated that most of the advertising is directed towards conservation and/or institutional advertising which is to promote the public image. Councilmember Goodman gave a further description as to the types of advertising the company might engage in and felt that the company should not use the ratepayers' money for advertising purposes. In response to a question from Mr. Gardner, Mr. Hess stated that many regulatory agencies do not allow advertising expenses to be passed on to the ratepayer. Mr. Gardner asked Mr. Hess if he had experience with rate design. Mr. Hess answered that he did, and that he has testified before other rate setting bodies concerning rate design. In response to further questioning from Mr. Gardner, Mr. Hess indicated that he has not done a rate design study on this particular issue due to the lack of time involved. In response to another question from Mr. Gardner, Mr. Hess indicated that they were proposing a fixed amount of 5.4¢ per MCF to all the rates across the board on to the existing declining block structure. He stated that this went by the assumption that there would be no change to the late payment charge. He stated that the rate would be 10¢ per MCF if the late payment charge is eliminated. Mr. Gardner asked Mr. Hess to give a brief explanation of the declining block structure. Mr. Hess indicated that the declining block structure is one in which the rates decrease per unit of consumption, as various blocks of consumption increase. Mr. Gardner acknowledged that the charge is the very highest for the initial unit and then goes down accordingly as more gas is consumed. Mr. Gardner asked if a partial result of the declining block would be to encourage consumers to use more gas because the more gas they use the cheaper it gets. Mr. Hess indicated that he did not see this as a great incentive with the price of gas what it is today. In regard to the two-part rate which uses the customer charge and then a flat rate for MCF, Mr. Gardner asked what were the components of the customer charge. Mr. Hess stated that these are all costs that are considered to be customer related in cost of service analysis. He stated that his included billing, meter reading, the cost of the meter, and some portion of the distribution system. Mr. Gardner asked what an

average customer charge might be. Mr. Hess stated that this would be somewhere in the neighborhood of \$6.00 per customer. Mr. Gardner asked if a two-part structure would yield the same revenue as a declining block structure and thus yield a just and reasonable rate of return. Mr. Hess indicated that a two-part structure could be designed to yield the same rate of return as the declining block structure.

Point-in-Procedure

Mr. Gardner asked Mr. Laczko what was his educational background. Councilmember Mullen and Mayor Pro Tem Cooke felt that this question was not relevant to the issue. However, Councilmember Goodman felt that the Council did not have the right to tell Mr. Gardner what questions he could ask. Mayor McClellan asked City Attorney Jerry Harris to render an opinion in the matter. Mr. Harris stated that it would be perfectly appropriate for Mr. Gardner to direct his questions directly to the respondent. He stated, however, that it was also the Council's prerogative to have Mr. Gardner direct his questions to the Council and then have the Council ask questions of Mr. Laczko. Mr. Harris pointed out that the Council could pass over the question of Southern Union's rate structure if it chose to not hear such testimony. Councilmember Mullen requested that Mr. Gardner dispense with questions that were not directly related to the matter and simply ask questions which addressed the major points of the issue. Mr. Gardner indicated that he was inquiring as to Mr. Laczko's educational background in order to develop a basis for further questions relating to the rate of return. Councilmember Mullen felt that this assumed that Mr. Laczko made an arbitrary decision concerning the rate of return when, in fact, he had a number of people working on it with him. Mr. Gardner replied that the educational background question was designed simply to determine if Mr. Laczko was qualified to speak on such an issue. In response to questions from Councilmember Goodman, Mr. Gardner pointed out that if Mr. Laczko says that he is not qualified to comment on the rate of return, then he would ask him no questions relating to the matter. Mayor McClellan asked Mr. Gardner to stay within a reasonable amount of time and to direct his questions to those matters which were directly related.

Mr. Gardner asked Mr. Laczko if he agreed that the improvement in net earnings was due principally to higher general service gas rates that were in effect during the year. Mr. Laczko indicated that the rate increase being requested did not cover 90% of the rest of the gas distribution company. He stated that although there may be some locations where gas distribution facilities are earning adequate and may have had recent rate increases that have improved those positions, this did not necessarily represent the situation as it is in effect in Austin, Texas. Mr. Gardner, referencing the Southern Union report, asked Mr. Laczko if he agreed that net earnings for the company went up approximately \$8 million in 1977 over 1976. Mr. Laczko believed this to be true. Mr. Laczko also agreed that earnings per share of common stock were up from \$2.06 in 1976 to \$3.07 in 1977, representing an increase of about 49%. Mr. Gardner asked Mr. Laczko if he was aware of a court injunction which required Southern Union to give written notification prior to discontinuing gas service and also offer a means of appeal to the subject party. Mr. Laczko replied that he was aware of the injunction. Mr. Laczko stated that he was not aware of any appellate process offered by the company but that written notification is given prior to the termination of any services. He told Mr. Gardner that he would

supply him with a copy of the procedure used in notifying a person of termination of service. Mr. Laczko pointed out that the company's operating rules are on file with both the City of Austin and the Railroad Commission.

Mayor Pro Tem Cooke told Mr. Gardner that he still could not see any relevance to the case at hand in the line of questioning he was directing to Mr. Laczko. Mr. Gardner told the Council that they would be presenting to the Council a proposal for a revision of Southern Union's service regulations which are almost identical to the service regulations which the City has recently implemented for its electric utility. He pointed out that his questions were all factors in the regulations they planned to propose. Councilmember Mullen asked Mr. Gardner if his proposal would have any effect on gas rates. Mr. Gardner indicated that it will not effect the rates. He pointed out that the Council has the authority to implement service regulations. City Attorney Harris asked Mr. Gardner if it was his understanding that his presentation would effect the rates the Council adopted in the rate proceeding. Mr. Harris felt that it was important to clarify whether Mr. Gardner was talking about how the rates should be altered based on his presentation, or if he was referencing something in the future. Mr. Gardner stated that, as to the service issues, he did not think it was necessary that the rates be changed to implement the service procedures. He stated that some of the other areas he wanted to cover would directly effect the rates. Mr. Gardner stated that some of the areas he would be covering other than service regulations included advertising and miscellaneous expenses and the rate of return.

In response to a question from Mr. Gardner, Mr. Laczko indicated that he was not qualified to speak on matters concerning the rate of return.

Mayor Pro Tem Cooke suggested that Mr. Gardner not ask questions relating to service alterations until just prior to presenting ACORN's proposal. Mr. Gardner stated that he would be agreeable to this, and that his remaining questions addressed only advertising and expenses.

Mr. Gardner asked Mr. Laczko if he was aware of how much money was spent on advertising by the Austin Division of Southern Union in 1977. Mr. Laczko stated that he did not have that figure in front of him and that he was not prepared to discuss that issue. He pointed out that they run some of their advertising on a local basis and some on a corporate basis, and that their ads concerned mostly information and safety matters. Mr. Gardner asked if the costs for advertising were reflected in the company's schedules. Mr. Laczko indicated that they were. Mr. Gardner asked if the company's advertising couldn't be considered institutional or promotional advertising. Mr. Laczko stated that it was very debatable as to what is considered promotional advertising and what is considered informational advertising. Mr. Gardner asked if Southern Union had bill inserts which contained various information. Mr. Laczko indicated that they do. Mr. Gardner asked if these inserts contained anything other than conservation information. Mr. Laczko stated that the majority of the bill stuffers used are for energy conservation and safety. He stated that the stuffer most recently being used is advising customers as to what the most recent tax legislation said and did regarding taxes on utility bills. This would qualify as strictly informational advertising. Mr. Gardner asked where in the schedules filed with the City would the advertising costs be included. Mr. Laczko indicated that any advertising expense which is informational in energy conservation in nature, is listed under Item 7 in Schedule E. Any other advertising expense

that would not be considered customer informational expense would be under Item 9. Mr. Laczko stated that this did not mean that Item 9 contains nothing else but that, but that it would be in that amount. Mr. Gardner asked what other amounts go into the gas sales expense line Item 9. Mr. Laczko stated that he would have to look at a book of accounts to see what numbers were included in the item. Mr. Gardner asked Mr. Laczko where contributions to charity and civic organizations were reflected in the schedule. Mr. Laczko stated that these probably would be included in the gas sales expense. Mr. Gardner asked if Southern Union expended money on business gifts. Mr. Laczko replied that it did not. Mr. Gardner asked if the company expended any amounts on entertainment for clients or business associates. Mr. Laczko stated that it did and that this could be reflected anywhere in the schedule depending on where expenses fell. Mr. Gardner asked if any Southern Union executives or employees operate on expense accounts. Mr. Laczko replied, yes, and said that this expense would be reflected in the same accounts that their labor charges are charged to. Mr. Gardner asked if Southern Union expended any amounts on legislative or administrative advocacy. Mr. Laczko stated that they did not in Austin, but that the company may have such expenses elsewhere.

Mr. Gardner stated that ACORN agrees with the Hess & Lim report as presented by George Hess, in every respect with the exception of advertising. He stated that some of the amounts for advertising are non-conservational or promotional/institutional advertising, and should not be allowed in the rate base. On Southern Union in general, Mr. Gardner felt that the company is already in a good financial position and did not really need a rate increase at all at this time, although they did not contest what was said by Mr. Hess. Mr. Gardner indicated that they questioned the accuracy of Southern Union's figures in view of the contradictions that Mr. Hess pointed out in the consultant's report dealing with wage increases and rate case expenses which should not have been included in the rate base but were included by Southern Union and disallowed by Hess & Lim. As to the rate of return, Mr. Gardner stated that his questions pointed out that Southern Union has not presented any evidence or testimony before the Council that would enable the Council to determine what is a fair rate of return. He stated that the burden is upon Southern Union when asking for a rate increase to show this, and that he did not feel that the company had shown this. Mr. Gardner indicated that the point ACORN wished to raise most strongly related to rate design. He stated that it is the feeling of ACORN members that a different rate structure could be more fair to the residential consumer, and could be more encouraging to the conservation of gas. Mr. Gardner, therefore, requested that the Council order Southern Union to do a cost of service study and to come up with diverse rate designs to implement various types of rate forms. He stated that this would include the declining block on different amounts, and the two-part rate. Mr. Gardner indicated that this would facilitate a rate being found which would give a fair charge to the average resident consumer, would encourage conservation and not force the small consumer to subsidize larger users.

MR. DON BUTLER, Utility Consultant to the City of Austin, told the Council that he would prefer to make a presentation later on at the continuation of the public hearing scheduled for that evening. Mayor McClellan indicated that this would be agreeable to the Council.

Action Rescheduled

The Resolution to consider final action on Southern Union Gas Company's Statements of Intent to change rates for the Central Texas District, which includes Austin, filed with the City Council on June 12, 1978; and, to change rates for the University of Texas at Austin filed with the City Council on June 22, 1978, was due consideration as an emergency in order that the statutory time period for the consideration of rate matters could be met, and was therefore rescheduled and reposted as a Special Meeting for 7:00 p.m., October 12, 1978.

WATER SKI LIFT CONCESSION

Mayor McClellan opened the public hearing scheduled for 2:30 p.m. on the proposed concession agreement with the North American Water Ski Lift Corporation for the purpose of providing a Water Ski Lift Concession. No one appeared to speak to the issue.

Motion

Councilmember Snell moved that the Council close the public hearing and grant the concession request for the purpose of providing a Water Ski Lift Concession. The motion was seconded by Mayor Pro Tem Cooke.

Councilmember Himmelblau asked, "What revenues are possible for the City of Austin with this sort of concession?" Mr. Michael Segrest, Parks and Recreation Department, answered that the contract "as proposed would provide for a \$12,000 a year base payment to the City plus a percentage of gross. Of course, the total revenue to the City would depend on the success of the venture."

Roll Call on Motion

Ayes: Councilmembers Mullen, Snell, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
Noes: None
Abstain: Councilmember Trevino

COMMUNITY DEVELOPMENT BLOCK GRANT BUDGET AMENDMENTS
TO BE HEARD NEXT WEEK

Consideration of amendments to the Community Development Block Grant (CDBG) budgets for first, second and third program years was postponed until next week, October 19, 1978. The motion to do so was made by Mayor Pro Tem Cooke, and seconded by Councilmember Snell. The roll call showed the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen
Noes: None

ANNEXATION OF LAND TO WILLIAMSON COUNTY MUD NUMBER ONE

Council had before it a resolution to consider authorization of 208 acres to Williamson County Municipal Utility District Number One. (Requested by the Anderson Mill Joint Venture and the District Board of Directors.)

Councilmember Trevino asked Mr. Homer Reed, Deputy City Manager, to give Council an idea of the impact of this annexation, and whether or not there were any other MUD's that might be applying for a similar type of action from the Council. Mr. Reed replied, "The District proposes to annex 208 acres owned by Anderson Mills Joint Venture, and it would be under the same terms and conditions as the original incorporation of the MUD. That original incorporation permitted the district to reimburse the developer for cost incurred in installing water and sewer lines in the subdivisions as soon as the funds are available from the bond sale." Councilmember Himmelblau commented that they have to front-end it for at least five years for this type of development. Mr. Reed said that the amount of time they would have to front-end it would depend on the negotiations between the district and the developer. He continued that there are other districts pending. The Davenport Ranch request has been filed with Council and will be considered in November.

Councilmember Himmelblau stated, "It's up to the Council to develop a policy that they'll live by and I think that in the future the Council can set the policy for MUD's. I also see MUD as the only way that you can get development to urban standards when they are outside of our service area. Otherwise you get high priced development. Councilmember Mullen said, "I think MUD is the best way, too, and I think we ought to try our best to come up with policy that encourages MUD, but not to the detriment of the taxpayer within the City limits of Austin. I hope we can come to some type of solution that helps this type of development, and still treats the people who develop inside the City limits on an equal basis. Otherwise, we will encourage developers to leave the City of Austin, go outside the City limits and develop because they get more benefits than they do developing within the City. What we need from staff is some sort of formula that treats them the same so that we can encourage MUD's, make them happen, but we can treat them as close as possible as those.

Councilmember Snell told Council that whatever way they treat this one they will have to treat the others so he thought they should come up with a solution. Councilmember Himmelblau said that this was an annexation to an existing MUD and did not see this as being similar at all. Mayor Pro Tem Cooke commented, "We are long overdue to develop and meet head on the policies or create policies for a MUD. I think now is the time we begin to set in motion some policies we can adopt that really lean toward what Ron is talking about. To ignore MUD's as things we are opposed to...I can certainly see it from a point of view that we are trying to give them a differential of treatment, but I think if we are trying to be equal as best we can, and at a future date because they are near to or contiguous with the City of Austin, it probably would be best to have a good set of firm policies so that those people who are looking at MUD's can develop from, rather than sitting and not developing any policy. I think that is the posture we are in and that puts us in somewhat of a difficult situation every time we get a request similar to this, but I don't think necessarily that today we should say, 'let's bind this one.' I think that now is the time to go forward and develop these policies for all future annexation or MUD's." Councilmember Himmelblau reiterated her statement about developing a policy, but she also said

"We don't need to hold this development up, they have a track record, it's an annexation to an existing MUD and I don't see that it would set a precedent for any new MUD coming along to go ahead and allow an annexation to an already existing development."

Councilmember Goodman asked, "If we were to annex this district in 1982, what would the financial liability or benefit be to the City?" Mr. Reed answered that there would be some benefit to the City in having annexed an area that is already developed to urban standards as compared to an area that develops without those same standards. This area is within a two-mile area of the City limits where we do require urban standards whether or not you are within a district. We do not have the requirement, outside the City limits, to require the development of a large amount of park space, which has been done here. The principle advantage would be that we would acquire title, as I understand it, if we annexed it and took over ownership of the district or assumed the indebtedness to the district, the park properties would become City property, and that would be the principle advantage to the City." Councilmember Goodman asked if the area were annexed in five years or so whether the tax revenue they would get would exceed the amount of the MUD debt so it is a financial good deal for the City, and so it is a good deal for the City. Mr. Reed commented, "The tax revenues, when it comes into the City limits, would have to be devoted exclusively to finance those functions which the City uses tax monies for, so they could not be used to pay off the indebtedness incurred for this purpose." He said he did not have the figures as to the amount of debt or the amount of income annually from taxes.

There was a discussion among the Councilmembers as to what step to take on this issue. Mr. Harris, City Attorney, told them, "Any time you do something in one case everyone has some valid point in pointing out that, look, this is what you did in that situation and we ought to be entitled to the same treatment unless there is some very good reason why you shouldn't because everyone will cite precedents." There was more discussion as to whether policy should be set today, before voting on the issue at hand, or if the vote should be taken today. Councilmember Mullen asked Mr. Harris, "Is there a way we can make sure to make a motion in such a way that this is an exception until policy is set?" Mr. Harris answered, "If the Council is going to approve this one on any basis, I'd like to see that stated before I say that it's not going to cause any problem to grant this one on a different basis than what we have been doing on sort of a one-shot deal and then you are going to pretty well indicate that in two weeks that won't be the way you are going to grant them any more. I have a little bit of difficulty with that and I think that whatever the long-range policy change, particularly if it's going to come within the next 2 to 3 weeks, that it would be my judgement that should be undertaken before you approve a one-shot deal."

Mayor McClellan said that she thought, "In approving this, we ought to state the policy that goes along with it and I would assume that Council would give similar approval to districts that are judged on the merits that follow the provisions of policy we set forth."

Council then discussed the difference between an annexation and the creation of a Municipal Utility District. Mr. Harris told them, "If you're saying that there ought to be something automatically different between an annexation and a MUD creation, I think we must go further and articulate what

the difference is. If you are going to say the standards in this annexation to a Municipal Utility District are very high and therefore, you are going to allow this type of policy to apply, I think someone could get you in the very same situation and say, 'Look, we've guaranteed that there's no doubt the improvements in the standards in this MUD that's about to be created is going to meet the same high standards as over here in this annexation, and therefore, there is no earthly reason why this same policy that you granted for this annexation to the MUD and that ground should not apply to the creation of this new MUD.' That's the only thing I am talking about in drawing a distinction between an annexation into a MUD and the creation of a MUD." Councilmember Goodman asked on what legitimate basis we can deny MUD in the future without worrying about the impact of this annexation hearing today. "If you deny a MUD," answered Mr. Harris, there are some procedures that can be followed where they can petition for the services and if you don't work out a contract with the people within a certain period of time, then it's deemed that you have consented to the creation of a MUD. That's the procedure I would anticipate if you deny the MUD."

Councilmember Himmelblau said she wanted to add one thing about the width of streets which has not been included. She said that this is within a two-mile zone and the streets will be set, "but I think the crown of a street is important and I think this was thrown together. We have been talking policy about MUD's for several weeks. I think it needs some thought, but I don't see any reason to hold up an annexation because I see it as a completely different situation."

More discussion followed, and then MR. BERT HOOPER, representing the applicant, told Council: "With all due respect to the question as to whether this is different from a creation or whether it's a different creature by virtue of annexation, I think there are some very major differences that are worthy of consideration. First of all, the area that would be annexed lies in a triangular area bounded on one side by Ranch Road 620, bounded on the other by U.S. Highway 183 and on the third side by Anderson Mill Road. This particular annexation would fill out the triangle, not completely, but would extend the boundaries of the district to carry it to a natural boundary which would be Anderson Mill Road. The district feels that it is of great concern to those people who live there that development proceed in the manner in which it has proceeded to this point, that is with very good urban standards with organized sewerage systems, with parks, sidewalks, hike and bike trails and all of the things that have been required not just by the City but by the Board of Directors of that district. The reverse of that is if this is not approved, then the people who own the land have no incentive to continue to develop it out on the same standards and quality which now exists. Residents are concerned that whatever goes on the next 208 acres of the triangle be of the same quality as now exists. The Board, because of its position and because it represents the homeowners, is in a position to insist that the land be developed in accordance with the standards that have already been established. This, I believe, is a very important distinction between an annexation situation and a creation situation. On a creation situation, you do not have a Board of Directors and do not know what the developer actually proposes to do in the way of development of the property. As to the question of front-end financing, the policy of the district is to require the developer to fund all utilities up front. The district will not buy those facilities until they are in the ground, constructed to City standards, accepted by Austin, and further until home construction has been started on at least 10% of the lots.

The reason is because it does not want to buy a loser.....I don't disagree with Mr. Harris but I don't think the fact that you may think you have set a policy today forever closes the door on your changing it. If you do what you said you propose to do, make it very clear that this is not a policy, this is an interim measure while specific policies are being developed, I think it is a very low risk situation."

MR. BERT JEFFREY, Secretary of the Board of Directors, pointed out that if this is approved by Council, then the Board has to go back to the citizens and ask for bonding approval, so they have to be able to sell it to their citizens. The board feels it can. His consensus was that the City would not lose on the approval of this annexation.

MR. WAYNE McDONALD, President of Lumberman's Investment Corporation, which is the developer, appeared to say they were aware there is no City policy on this subject and over a year ago they started to go to City departments and use the experiences they had in structuring a policy. He said they have taken a subdivision and shown how it can be done successfully, and now people do not want to recognize it as a success, but want to change it and do it another way. Councilmember Mullen said he did not think this was true, that Mr. McDonald was missing the point. Mr. McDonald said he was talking more about City staff attitude...that he was talking about low to moderate housing. He said that things have to be given to the people to go with the house where kids can grow up and have benefits of parks and such. He said also that the City of Austin needs guidelines for this type of development.

Councilmember Himmelblau said, "I don't think they were even thought of until the Davenport Ranch people started meeting with members of the Council and I know I was personally looking for a vehicle so that they could go with the MUD and started out with some policies the City needed to set. I feel that MUD's are a thing of the future and the only way we are going to get class A development."

Motion

Councilmember Himmelblau moved that the Council grant the annexation with 5 stipulations included today: (1) the district must contain at least 500 acres, (2) developer must dedicate a minimum of 10 acres per 1,000 projected population or a minimum of 50 acres, whichever is greater (in addition to unusable flood plain lands), (3) parklands must be developed in accordance with a plan approved by the City Parks Board and which includes, but is not limited to: ballfields, hike and bike trails, swimming pool, playground equipment and picnic areas, (4) detention of storm water run-off must be provided in order to avoid increases in peak flow downstream, and (5) underground utilities must be installed throughout the district. The motion was seconded by Councilmember Mullen.

Friendly Amendment

Councilmember Goodman offered a friendly amendment, accepted by Councilmembers Himmelblau and Mullen, that the sidewalks, streets and street lights be constructed to the City of Austin standards.

There was more discussion on guidelines, future annexations, etc., and Councilmember Himmelblau called for the question.

Roll Call on Calling to Vote on Question - Failed

Ayes: Councilmember Himmelblau

Noes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Goodman, Mullen, Trevino

Not in Council Chamber when roll was called: Councilmember Snell

More discussion followed on how long it would take to receive and set up guidelines. Mr. Reed said that Council would receive a report from staff on November 9. Councilmember Goodman concluded that "we are all very clear that we are going to establish a policy for creation of MUD's that will serve as a guideline."

Roll Call on Motion

Ayes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman,
Himmelblau, Mullen

Noes: Councilmember Trevino

Not in Council Chamber when roll was called: Councilmember Snell

MR. C. W. HEATHERLY appeared before Council and asked that some developers be involved in the establishment of policy for annexation to a Municipal Utility District. He said he basically agrees with all of the comments made by Council but feels problems could arise and, therefore, home developers should be represented in the policy making sessions.

CENTRAL BUSINESS DISTRICT PARKING

Council had before it for consideration an Ordinance amending Section 45-30 of the Austin City Code relating to areas to be included in the Central Business District parking area, relating to the extent of the parking exemption in the Central Business District parking area and relating to the amount of the fee that may be paid in lieu of providing a required off-street parking space.

(Council was looking at a map and asking questions. CITY CLERK
DID NOT RECEIVE A COPY.)

Mr. Ternus discussed a map-drawing error which had been corrected and he was questioned as to whether this was an amendment that would have to go back to the Planning Commission. He said that the State of Texas has been notified of the change as well as everyone to the east and west within 300 feet, so he felt it did not have to go back to the Planning Commission. Mr. Harris questioned if they were notified of the old line or the new line. He thought it should go back to the Planning Commission, because the people were not notified that the line would be drawn as it is now.

Councilmember Goodman said he wanted to hear the request of someone with a similar problem, the University State Bank. A representative of the bank, who did not identify himself, appeared before Council and asked that the line be drawn to include a one-block area bounded on the south by 15th Street, bounded on the north by 16th Street, and bounded on the west by San Antonio. Councilmember Goodman asked if this should be a matter for the Board of Adjustment. Mr. Ternus said, yes, because they do not recommend this site be included in this percent exemption. He said that a policy of this magnitude should be addressed in that area as he is concerned about extending the line west of Guadalupe and the impact to the area. The bank representative said they have an application pending before the Board of Adjustment who would not be inclined to rule on it until after the Area II was decided, so they decided they would be a downtown bank. The bank's position is not frozen, he said, and under the 60% rule, they would have 150 more parking spaces than the 60% rule would require, but 229 under the present.

Councilmember Goodman stated: "That's the only logical step now that the City staff is recommending that, that you not be included in this district and instead go to the Board of Adjustment. If it requires a motion, I'll make it, if not you may proceed with this being a part of the record, staff saying you shouldn't be applying for expansion of this district and ought to be applying for a variance."

Mayor Pro Tem Cooke said he felt they should also instruct the Planning Commission to look at the parking in and around the Capitol because it is critical in Area I. Area II is not as critical and probably that is why it has 40% versus other areas that have only 10% or 25%. I'd like for them to look at parking as it directly relates to the State complex because it may put hardships on businesses that are adjacent to it where there is no way they can provide parking. I want that deliberated to some extent. He said the State land may influence the City's variances. Mr. Ternus said they will prepare a report for the Planning Commission's consideration on extending the Guadalupe line due north so that the eastern boundary of Area II is a fairly straight line. We will also review with them the percent exemption you are questioning in Area II as it relates to land being developed near the Capitol complex, from 12th Street north to Martin Luther King Boulevard."

Mayor Pro Tem Cooke said he wanted the ordinance sent back to the Planning Commission and then brought back to Council as soon as possible.

B. R. REYNOLDS DRIVE

Councilmember Himmelblau introduced an item from Council concerning a report on the effectiveness of the bus and carpool lanes on B. R. Reynolds Drive. She asked if Mr. Ternus was still firm in his convictions that the carpool and bus lanes should remain. He told her that he had told Council that he would bring back a report three months after Congress Avenue closed, but if he wants it earlier, they will bring it back earlier. Mrs. Himmelblau said she had been monitoring it and had found that it was not used. Mr. Ternus said he would provide the report in 2 to 3 weeks.

ADDITION TO GOALS AND OBJECTIVES

Mayor Pro Tem Cooke submitted the following for Council approval:

"After the Council voted to approve the City Council Goals in our September 28, 1978, meeting, it came to my attention that some suggested revisions were inadvertently omitted from the discussion and the approved document. These are as follows (words underlined are additions.):

1) Intergovernmental Relations

Objective 2c: The City should formally join the State and the University of Texas in planning for the development at the Capitol area. Legislation establishing a formal committee charged with development of the plan should be pursued. A committee should be appointed by the Council in May of 1979 in the event that such legislation is not approved at State level.

(THESE UNDERLINED WORDS WERE INCLUDED IN THE MINUTES OF THE SEPTEMBER 28, 1978, COUNCIL MEETING)

2) Comprehensive Planning

Goal 1,
Objective 2: Prepare a Central Business District Plan for the revitalization of the central city (instead of downtown) area through mutual efforts of the public and private sectors in October, 1978, (instead of June, 1978)

(THESE UNDERLINED WORDS WERE INCLUDED IN THE MINUTES OF THE SEPTEMBER 28, 1978, COUNCIL MEETING.)

3) Comprehensive Planning

Goal 1,
Objective 3: Review and adopt the Lake Austin Master Plan in January 1979 (instead of February 1978)

(THESE UNDERLINED WORDS WERE INCLUDED IN THE MINUTES OF THE SEPTEMBER 28, 1978, COUNCIL MEETING.)

4) Comprehensive Planning

Goal 1,
Objective 7: Alternate theories of City planning should be considered.
2. Consideration should be given to amending zoning ordinances to encourage mixed-used development, multi-level zoning, townhouse development where appropriate, and alternative lay-outs of new areas of the City.

Motion

Mayor Pro Tem Cooke moved that the Council include Objective 7 under Goal 1 of Comprehensive Planning of the City Council Goals and Objectives. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen, Mayor McClellan

Noes: None

Not in Council Chamber when roll was called: Councilmembers Snell, Trevino

WORK SESSIONS SET

The Council had before it two items to determine work session dates. One was determination of dates for Council work sessions on proposed bond election. The other was determination of dates for Council work sessions on South Texas Project and the Energy Generation Plan.

Mayor McClellan addressed Council by saying, "I believe the Council has some very tough questions to answer. Number one, should Austin continue as participant in the South Texas Project, and how much can we afford if that is an option. Are the cost overruns justified, and I think the only way we are really going to be able to address those questions and all of the Austin community is going to be able to address those questions, is we certainly need very thorough work sessions, but I think we need to also give some direct charges to our staff and to our Citizens' Electric Utility Commission. I have just supplied to Council a copy of the directive which I think ought to tie in with the work sessions we set. I pointed out in this directive that we have many questions that have arisen regarding Austin's participation in South Texas, and that number 1, make a sound business judgement relating to STP, and number 2, to make more current information available to the public. I would ask the Council that we direct the following:

1. A complete staff updating and review (based on the latest available information from FPP and STP) of the January 1978 Generation Plan. This should include the previously Council directed analysis of the cost increases for STP above the original citizen authorization of \$161 million.
2. A staff analysis of the feasibility of replacing STP (in total or in part with Fayette 3 (a lignite unit recently announced by LCRA to be added at the Fayette site.)
3. A review of nuclear power by the Electric Utility Commission to include the following:
 - (1) Input from the academic community relating to the long-term fuel picture for electric utilities.
 - (2) Input from representatives from the U. S. Department of Energy.

- (3) Overview by officials of other electric utilities including those who do and do not actually operate and construct nuclear facilities.
 - (4) Input from consultant firms who conduct economic feasibility studies for government agencies and electric utilities.
 - (5) Input from selected consumer interest groups.
 - (6) Input from health and safety experts.
4. A review and analysis by the Electric Utility Commission of the staff analysis in Items 1 and 2 above, concluding with a recommendation by the EUC with respect to the course of action relative to STP."

Councilmember Goodman said that he endorses the Mayor's proposal and Mayor Pro Tem Cooke stated: "I endorse what you are saying too, and I think that ...and I would like to have it read into the record, your comments provide general direction in a multitude of areas, and I think they are important, and it is not to say staff wouldn't include an update on the Generation Plan...certain questions but I think in the area of natural gas, we do need an analysis on the market costs of natural gas, projected cost escalation at least through 1986. We need, cause that's when we would have the whole generation plan on line. I think that certainly we are well aware that President Carter's energy bill which is now being debated in Congress and looks like we are going to get some form of that out. As far as requirements mandating reductions in natural gas utilization needs to be considered. I think in the memo that has just been passed out to you regarding coal and the Fayette project, as far as cost escalations with respect to rail transportation, estimated cost of a third or fourth generator at Fayette, and LCRA is giving implications of a third generator, and if they use Texas lignite or high grade western coal what would be the anticipated cost as best we know it. I think requirement cost to use scrubbers in future plant construction as far as coal and the possibility of retroactive requirements for scrubbers on Fayette I and II, if coal lignite other than Montana or Wyoming coal is used; I think the cost effects of the Wyoming surcharge tax litigation and effects of other anticipated Federal or state litigation or legislation that could effect the cost of coal are to be considered. In the nuclear and STP area, I believe, and something we haven't deliberated before and it may be difficult, but I think we ought to look at the maintenance cost to the life of that plant, if not included in previous reports, and I haven't seen it. Decommissioning cost as compared to any plants going through this process or anticipate storage cost, the length of time STP would be prepared to operate and store waste at the STP site if the Federal storage pool is delayed past '85-'86 when DOE officials said that they hoped they would have something on line when we were there in June.

"Comparison of cost of plants currently under construction in the U.S. with the STP cost, using a common unit, a megawatt or whatever, until we get a cost comparison of what STP, even with the current escalations would cost in reference to other plants that are currently coming on line today...and I realize we are a long way from coming on line. And based on trends in the construction of other nuclear plants built in the same general time period as STP,

a comparison of the track record of cost overruns with the STP's cost overruns as we have had them in the last 3 years, and the possibility of future cost overruns before STP is completed, based on actual historical trends and experienced to date with the project. And I think you know that we have been at it 3 years, we have had 3 cost overruns, we have got several years to run, and I think we can anticipate more overruns. This and other data is important. I think we need to compare it to like what we did in the previous generation plan, and that is they gave us cost factors of kilowatt hours of say \$4.00, \$3.34 for coal and \$2.22 for nuclear, which made nuclear very economical. I think with the additional cost we are incurring today and some of these particular questions we might get a better perspective as to what it might be, even at the current overrun and what they might anticipate as far as additional overruns before this plant would actually begin to generate energy.

"In addition, Mr. Liro, I made two requests dated July 19 and 28, about information on the STP. One had to do with information on pending litigation involving STP in its suppliers and certainly one has been recently settled very favorably with Westinghouse, and I was interested if there were any others pending or possible. Also, I asked if we retained our 16% share of STP, would it be advisable to ask voters for approval in excess of 47 million, and certainly that is a dated question at this point, since it is at 104 million, but I think the intent of the question still applies, since we are in an inflationary period.

"The other memo of July 28 asked in that some of the comments that have been made about the life of the project of 25 years, and I am trying to get some kind of indication as to what we really feel the life of the South Texas Project might be, and if there was any national experience to indicate if there was a range of plant life and what factors might shorten or lengthen the plant life as far as any professional and technical analysis of the plant life of STP. I would enter those into the record and would hope they would be considered in the Generation Plan."

Councilmember Himmelblau inquired if it would be possible for either the entire Council or members that would choose to go meet with Houston Power and Lighting and the management team to go over the flow charts or the perc charts to get some explanation as to the projected 2-year delay and overruns. After some discussion Councilmember Goodman suggested that Council should invite them to Austin to give a first hand account. Mrs. Himmelblau thought this would be all right if they bring their flow charts and everything and spend some time with them.

Mayor McClellan suggested that they invite the Utility Commission to join them in the Council Work Sessions. Conversation then followed among Councilmembers to decide on the best dates for the work sessions. The following motions were then made:

Motions

Councilmember Trevino moved that the Council approve the date of Friday, October 20, 1978, at 3:00 p.m. for a work session on proposed bond election. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Goodman, Himmelblau, Mullen, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke
Noes: None
Not in Council Chamber when roll was called: Councilmember Snell

Councilmember Trevino moved that the Council approve the date of Friday, November 10, 1978, at 3:00 p.m. for a work session on the STP and our Energy Generation Plan. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Goodman, Himmelblau, Mullen, Trevino, Mayor
McClellan, Mayor Pro Tem Cooke
Noes: None
Not in Council Chamber when roll was called: Councilmember Snell

EVALUATIONS

Council had before it for consideration the setting of dates for the City Council to evaluate the City Clerk, Municipal Judges and the Clerk of the Municipal Court. Mayor McClellan said she would set up an executive session in which this would be done.

ZONINGS SET FOR PUBLIC HEARING

The City Manager reported the following applications have been referred to the Planning Commission for recommendation and have been set for Public Hearing before City Council on November 30, 1978:

ALLIED DEVELOPMENT COMPANY By Thomas W. Cummins C14-78-180	13780 U.S. Highway 183 10300 Lakecreek Parkway	From "GR" General Retail 1st Height and Area To "GR" General Retail 2nd Height and Area
LEON & BARBARA SCHMIDT FAMILY TRUST SCHMIDT & SIMON CHILDREN'S TRUST LEON A. SCHMIDT CHILDREN'S TRUST #1-2 through 5 C14-78-181	Great Hills Trail and Old and New Highway 183	From Interim "AA" Residence 1st Height and Area From "GR" General Retail 1st Height and Area
CRAIG A. WASHINGTON By Geneva Johnson C14-78-182	713 Carolyn also bounded by Woodrow Street	From "A" Residence 1st Height and Area To "B" Residence 1st Height and Area
JOHN BUSHMAN C14-78-183 By Don Bird	6000 East Ben White Boulevard	From Interim "A" Residence 1st Height and Area To "DL" Light Industrial 2nd Height and Area

DR. & MRS. JOHN C. BUCKLEY* C14-78-184	1502 West Avenue also bounded on the south by West 15th Street and on the east by West Avenue	From "A" Residence 1st Height and Area To "O" Office 1st Height and Area
--	--	---

*Contingent upon historic and use change.

CITY OF AUSTIN By Property Management Dept. C14-78-185	808 Koenig Lane	From "A" Residence 1st Height and Area To "C" Commercial 1st Height and Area
---	-----------------	---

P. M. BRYANT By Charles Betts C14-78-186	11693 Research Boulevard	From "A" Residence 1st Height and Area To "GR" General Retail 1st Height and Area
--	--------------------------	--

JAMES D. WOOD C14-78-187	12687 Research Boulevard	From Interim "AA" Residence 1st Height and Area To "GR" General Retail 1st Height and Area
-----------------------------	--------------------------	---

J. V. WALDEN By Terry Sasser C14-78-188	Southwest corner of Steck Avenue and Mo-Pac	From Interim "A" Residence and "BB" Residence 1st Height and Area To "C" Commercial 1st Height and Area
---	--	---

ALLIED BANK OF TEXAS By John Byram C14-78-189	Colorado River and Millers Street	From "L" Lake District 2nd Height and Area To "C" Commercial 3rd Height and Area
--	--------------------------------------	---

BILL MILBURN By John Avery C14-78-190	3003-3205 Duval Road	From Interim "AA" Residence 1st Height and Area To "GR" General Retail 2nd Height and Area
---	----------------------	---

BILL MILBURN, INC. By John Avery C14-78-191	2619-2633 Western Trails Boulevard 4612-4618 Sagebrush	From "BB" Residence 1st Height and Area To "O" Office 2nd Height and Area
---	--	--

MRS. EARNEST PRUETT (Geraldine) by Martin Gonzalez C14-78-192	10101-10129 North IH 35 10100-10114 Middle Fiskville Road	From Interim "AA" Residence 1st Height and Area To "C" Commercial 1st Height and Area
--	---	--

MR. & MRS. H. B. SIMONS, FERNANDO A. CANTU, JR., GEORGIA B. LUCAS AND OTHERS By Jack T. Hill C14-78-193	806, 810, 813, 815 and 817 Ken 10012 and 10100 North Lamar	From Interim "AA" Residence and "A" Residence 1st Height and Area To "GR" General Retail, "C" Commercial, "O" Office and "A" Residence 1st Height and Area
BRENTWOOD CHURCH OF CHRIST By Tom Curtis C14-78-194	700 West Anderson Lane 7800 North Lamar Boulevard	From "C" Commercial 1st Height and Area To "C-2" Commercial 1st Height and Area
THE HANSEN TRUST By Donald Moes C14-78-195	12138-12148 North IH 35	From Interim "AA" Residence 1st Height and Area To "GR" General Retail 1st Height and Area
CITY OF AUSTIN By Austin Travis County Health Department C14-78-196	203-217 Comal 1601-1611 East 3rd Street	From "B" Residence and "C" Commercial 2nd Height and Area To "O" Office 1st Height and Area
GEORGE W. ALLEN By Jeryl Hart C14-78-197	5800 block of Balcones Drive	From Interim "A" Residence 1st Height and Area To "A" Residence(Tract 1) 1st Height and Area and "O" Office(Tract 2) 1st Height and Area
HILL'S CAFE OF AUSTIN, INC. By Jim Woodmansee C14-78-198	5604 South Congress	From Interim "A" Residence 1st Height and Area To "C" Commercial 1st Height and Area
TRUMAN H. MONTANDON By Robert Davis C14-78-199	11201 U. S. 183	From Interim "A" Residence 1st Height and Area To "GR" General Retail 1st Height and Area and "BB" Residence 1st Height and Area
NPC REALTY COMPANY By Robert Davis C14-78-200	2701-2801 Deatonhill 2624 William Cannon Dr. 2620 Lazy Oaks Drive 7001 Deatonhill Drive 7000 Deatonhill Drive 2804 William Cannon Dr.	From Interim "A" Residence, "BB" Residence, "O" Office, and "GR" General Retail 1st Height and Area To "O" Office, "GR" General Retail and "A" Residence 1st Height and Area

JOHN GARY JOHNSON Gary F. Brown C14-78-201	13548-13552 U.S. 183	From Interim "AA" Residence 1st Height and Area To "GR" General Retail 1st Height and Area
JOE LUNDELL and DON DEARING By Forest Cooke C14-78-160	7202 Bennett	From "A" Residence 1st Height and Area To "O" Office 1st Height and Area
CLYDE TROUTMAN and FOREST TROUTMAN By Chris Crow C14-78-174	9606-9623 North IH 35	From Interim "AA" Residence 1st Height and Area To "C" Commercial 1st Height and Area
*DR. & MRS. JOHN C. BUCKLEY C14h-77-041	1502 West Avenue also bounded on the south by West 15th Street and on the east by West Avenue	From "A" Residence 1st Height and Area To "O-H" Office-Historic 1st Height and Area
LIMERICK-FRAZIER HOUSE By W. H. Passon Historical Society C14h-78-027	810 East 13th Street	From "B" Residence 2nd Height and Area To "B-H" Residence-Historic 2nd Height and Area
HURT HOUSE By City of Austin C14h-78-039	2210 San Gabriel	From "B" Residence 2nd Height and Area To "B-H" Residence-Historic 2nd Height and Area
PAGE-GILBERT HOUSE By Dorothy Richter C14h-78-040	3913 Avenue G	From "A" Residence 1st Height and Area To "A-H" Residence-Historic 1st Height and Area
BRASS-FERRIS By Britt Kennard C14h-78-041	503 East 6th Street	From "C-2" Commercial 4th Height and Area To "C-2-H" Commercial-Historic 4th Height and Area
GENERAL PROVI- SIONS STORE By Britt Kennard C14h-78-042	505-507 East 6th Street	From "C-2" Commercial 4th Height and Area To "C-2-H" Commercial-Historic 4th Height and Area
M. M. SHIPE HOME By Robert E. Hill C14h-78-043	3816 Avenue G	From "A" Residence 1st Height and Area To "A-H" Residence-Historic 1st Height and Area

October 12, 1978

FORISTER-SCUDDER, Pinehurst Drive
INC.
By Trigg Forister
C814-78-007

A residential Planned Unit
Development consisting of 38
zero-lot line lots called
"LEGENDS LANE AT ONION CREEK"

ADJOURNMENT

Council adjourned its meeting at 5:35 p.m.

APPROVED

Carole Keeton McClellan
Mayor

ATTEST:

Grace Monroe
City Clerk