

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF AUSTIN:

Notice is hereby given that a Special Meeting of the City Council of the City of Austin will be held on the 16th day of December, 1954, at the Municipal Building, Eighth and Colorado, in Austin, Texas, at 2:30 P.M. for the purpose of discussing and executing the plans for the Auditorium.

(Sgd) C. A. McAden
Mayor
City of Austin, Texas

(Sgd) Elsie Woosley
City Clerk

ATTEST:

(Sgd) Elsie Woosley
City Clerk

CONSENT TO MEETING

We, the undersigned members of the City Council, hereby accept service of the foregoing notice, waiving any and all irregularities in such service and such notice, and consent and agree that said City Council shall meet at the time and place therein named, and for the purpose therein stated.

(Sgd) Ben White

(Sgd) Ted Thompson

(Sgd) Wesley Pearson

(Sgd) Mrs. Stuart Long

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

December 16, 1954
2:30 P.M.

Council Chamber, City Hall

The meeting was called to order with Mayor McAden presiding.

Roll call:

Present: Councilmen Long, Pearson, Thompson, White, Mayor McAden
Absent: None

Mayor McAden announced that this was a meeting called for the purpose of discussing and executing the plans for the Auditorium.

Members of the Committee appointed by the Mayor to facilitate the execution of the plans for the Auditorium, were MESSRS. TOM MILLER, TAYLOR GLASS, W. S. DRAKE, JR., EDDIE CRAVENS, JOHN AYCOCK, DONALD JAMES, WILLARD HOUSER, W. G. POPE, TED WHITLOCK, WINTON JACKSON, JIM YEATES, CHESTER SNYDER, JOHN BURNS, TIM WILLIAMS, JAY BROWN, JOHN SIMPSON, WM. HARWELL, CHARLES BURTON, LUTHER THOMPSON, E. B. MOODY, JOHN POWELL, LEONARD LUNDGREN.

Statements were made by the members of the Committee present. Honorable W. S. Drake offered his assistance in any way, stating the people wanted the Auditorium, having voted it 4 to 1. MR. LUTHER THOMPSON urged doing something rather than going the tax-bond route. MR. LEONARD LUNDGREN, President, Jr. Chamber of Commerce, was concerned as to what the Auditorium was going to be and if it were going to fulfill the requirements, and asked that information be made available on the plans of the Auditorium, MR. JOHN SIMPSON, President Chamber of Commerce, suggested appointing a committee made up of people experienced in the investment field, municipal financing, etc., to apply their experience and bring back a recommendation to the Council, and he believed they could come back with something satisfactory to everyone in Austin. At Honorable Tom MILLER'S request, the City Attorney explained the finance situation of the Tax bonds and Revenue Bonds, and the pledge of the revenues from the Auditorium and Coliseum, and he explained the problems of selling revenue bonds.

MR. WINTON JACKSON, First Southwest Company, Dallas, offered suggestions, that he had found working out in West Virginia. In addition to the revenues

from the facilities they proposed to build, they had a Commission set up whereby if the revenues did not pay the principal and interest, the Commission made up the difference. The Commission was established by State authority out of public funds, and the City was given power to transfer money to that fund. He made two direct recommendations: (1) to vote the bonds over and tie in some other revenue--from Barton Springs, parking meters, or some other source, to give sufficient coverage to meet principal and interest and surplus. Without that he did not believe the possibility of selling straight revenue bonds payable only from revenues from the Auditorium was very good. (2) The other suggestion was to issue tax warrants, and pay all the revenue from the Auditorium into this fund; and if there was no need of levying a tax, it would not have to be collected; but if the funds ran short, it would be possible to use taxes. Mr. Jackson explained this suggestion, and estimated the interest to run about 3%. In discussion, the City Attorney outlined the procedure and stated it would be subject to referendum.

Councilman White favored referring the matter back to the people to vote building the Auditorium from Tax Bonds. Mr. Jackson stated a better interest rate would result through tax bonds. MR. WHITLOCK suggested referring it back to the people, stating the interest on tax bonds would be about $2\frac{1}{2}\%$; and the revenue could still be used to pay them out, and levy a tax only if necessary.

MR. CRAVENS agreed with Councilman Thompson in that if warrants were issued, it would be done without counsel of the people. He suggested submitting the matter to a vote of the people.

FORMER MAYOR MILLER gave a history of the bond issues over the years and the reasons the Auditorium was not included until 1946. He did not recommend submitting the issue to the people to vote the tax bond route. He suggested putting up about 2000' of land in the Butler Tract on the Fredericksburg Road in a trust fund, as security and try to sell the revenue bonds with that as security. He believed that property to be worth $1\frac{1}{2}$ million dollars. He inquired of the City Attorney if that were possible. The City Attorney did not believe this could be worked out. MR. MILLER stated every means should be exhausted before submitting the matter as a tax bond issue. Councilman Long favored appointing the Committee to work out some of these suggestions.

MR. JAMES YEATES stated the Auditorium Committee had worked to get the plans of the Auditorium, and he would like to see the plans developed and proceeded with. MR. JOHN SIMPSON recommended again that a smaller committee be appointed to come up with an alternate plan of financing this auditorium, and that all methods be explored before submitting the issue to the people for vote; but if no other method can be worked out, then resubmit it. Every city of major consequence has an auditorium, and he believed it to be necessary equipment in a modern city.

MR. WILLARD HOUSER asked how the Council felt about the Auditorium. The Mayor took a poll of the Council and announced that this Council was on record as favoring it. Councilman Thompson stated he agreed that it was a part of

the city's equipment; and if some way could be provided to legally obligate the people to build the Auditorium, he was for it; but to revert to devising means to finance it, he was not. Councilman Long stated she did not endorse the bond issue for the Auditorium, as she did not think it could finance itself; but she did not fight the issue because she felt the Auditorium was needed, and she was not opposing it now. Councilman White felt like Councilman Thompson in that he was in favor of it if it could be financed properly; otherwise, he saw no other way than to ask the people to vote obligation bonds. Councilman Thompson thought tax bonds would be a cheaper way of financing the Auditorium. Councilman Pearson inquired how much above the revenues would a tax have to be levied to pay the difference. He inquired of Mr. Jackson if it were possible for a group of business people to underwrite a large portion of the debt and make the bonds sell--organize a corporation where a group would back up a part of the obligation. Mr. Jackson could not answer at this time. MR. MILLER inquired as to possibility of increasing power rates on commercial users, stating that many times power companies underwrote enterprises. He offered his help in any way, stating he was for the Auditorium. He stated if it were resubmitted to the people, he would be for it then. He asked that all suggestions and plans be explored.

The Mayor suggested the following Committee and Councilman Long moved that they be named as the Committee to advise the Council on matters of financing this Auditorium:

HON. TOM MILLER, Chairman
MR. JOHN AYCOCK
MR. ED CRAVENS
MR. DONALD JAMES

MR. WILLARD HOUSER
MR. W. G. POPE
MR. JOHN SIMPSON
MR. LEONARD LUNDGREN

The motion, seconded by Councilman White, carried by the following vote:
Ayes: Councilmen Long, Pearson, Thompson, White, Mayor McAden
Noes: None

There being no further business the Council adjourned subject to the call of the Mayor.

APPROVED


Mayor

ATTEST:


City Clerk