CITY OF ALAMO HEIGHTS
CITY COUNCIL
January 12, 2015

A regular meeting of the City Council of the City of Alamo Heights, Texas was held at Council Chambers, located at 6116 Broadway, San Antonio, Texas, at 5:30 p.m. on Monday, January 12, 2015.

Present and composing a quorum were:
Mayor Louis Cooper
Mayor Pro-Tempore Bobby Rosenthal
Councilmember Bobby Hasslocher
Councilmember Fred Prassel
Councilmember Lynda Billa Burke
Councilmember John Savage

Also attending were:
City Manager J. Mark Browne
City Attorney Mike Brenan
Fire Chief/Assistant City Manager Buddy Kuhn
Assistant to the City Manager Marian Vargas
Finance Director Cynthia Barr
Community Development Services Department Director Jason Lutz
Human Resource Manager Lori Harris
City Secretary Jennifer Reyna
Chief Police Rick Pruitt
Public Works Director Pat Sullivan

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Mayor Louis Cooper opened the meeting at 4:35 p.m.

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At 4:36 p.m., Mayor Cooper adjourned the regular City Council meeting to conduct a closed meeting as authorized by Section 551.072 of the Texas Government Code to deliberate the value of real property for which a purchase request has been submitted.

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Mayor Cooper reconvened the regular meeting at 5:32 p.m. There was no action taken during the closed session.

Item # 2 *Approval of Minutes*

Mayor Cooper asked City Council for any revisions to the minutes of the December 8, 2014, meeting. A motion was made by Councilmember Fred Prassel to approve the minutes of December 8, 2014. The motion was seconded by Councilmember Lynda Billa Burke and passed by unanimous vote.

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Item # 3 *Announcements*

Mayor Cooper read the following caption.

a. On-Street Parking on Wildrose, Cloverleaf and Rosemary, January 21, 2015

Fire Chief Buddy Kuhn informed residents of a community informational meeting to be held on Wednesday, January 21, 2015, beginning at 6:00 p.m. to 7:00 p.m. at the Council Chambers. He stated the meeting is for discussion only regarding emergency access to Wildrose, Cloverleaf, and Rosemary.

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Item # 4 *Citizens to be heard concerning items not on the agenda*

Sarah Reveley, resident, informed Council that she received a postcard on an upcoming item and expressed concern on the photograph of the item which appeared smaller and contained a heritage tree that is proposed for removal. She expressed in her opinion the postcard presented another perception and requested postponement of that item.

Pruyn Hildebrand, resident, expressed disappointment regarding the process of the notice of intent project for the mixed use development project.

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Consent Agenda

Item # 5 Mayor Cooper read the following caption.

Request for permission to refund overpayment of property taxes to Mark J. and Helen Berridge in the amount of $2,172.94 for the property located at 742 College

A motion for approval was made by Councilmember Bobby Hasslocher. The motion was seconded by Mayor Pro Tem Bobby Rosenthal and passed by unanimous vote.

Items for Individual Consideration

Item # 6 Mayor Cooper read the following caption.

A Resolution expressing the intent of the Alamo Heights City Council to cooperate with the development of a major project enhancing the economic development of the City of Alamo Heights and a Notice of Intent, by the applicant Richard Peacock, for a mixed used development

Mayor Cooper stated the main purpose of this meeting is to discuss the appraisal of the interested property. He stated Richard Peacock, applicant, will present an overview of the proposed project. He informed the audience that the project is not specific to details and subject to considerations and discussions by respective boards, commission and Council.

Mayor Cooper explained the process and provided specific dates on the consideration of the project process. The project will be considered by respective boards/commissions/City Council on:

January 20th – Architectural Review Board (ARB) for preliminary review
February 2nd – Planning and Zoning (P&Z) Commission for the public hearing on streets closure, abandonment of public property
February 17th – ARB for final review
February 23rd – Council consideration of street closure
March 2nd – Planning & Zoning (P&Z) consider application of Specific Use Permit (SUP)
March 9th – Council consideration subject to presentation to different boards/commission

Community Development Services Department Director Jason Lutz made a PowerPoint presentation that included background information and a chart.

Mr. Lutz identified the project and stated it is a mixed use development project at the intersection of Broadway and Austin Highway with the possible purchase of City right-of-way on Ellwood Avenue, Kampmann, and Ausway Lane. He informed Council that the City received an appraisal of the public right-of-way which Mr. Peacock proposes to acquire for the major project and Council will consider. Mr. Lutz informed Council that the applicant provided a non-refundable fee deposit and a title report issued by a title insurance company. The process will include presentation to appropriate boards and agencies for review since the application had been submitted. Mr. Lutz identified the interested parcels and their value according to appraisal. He introduced Richard Peacock, applicant.

Mr. Peacock provided brief history in the previous development project known as the Gateway to Alamo Manhattan that terminated in spring 2014. He stated a

reassessment was conducted and the property owners are not just acting in the positions as sellers. He noted with the Gateway to Alamo Manhattan project, the right-of-way was not considered and therefore, with this project proposed the City to consider the right-of-way. Partners for this project are Argyle Residential, developer; Pape-Dawson, engineer; and Overland Partners Architects and Good Fulton and Farrell, architects.

Mr. Peacock began his presentation with identification of the project location, interested parcels, and ownership. He stated the project initiates the closing of Ausway Lane and Ellwood and referenced the City's comprehensive plan. He presented a photo of the site after demolition. Mr. Peacock proposed a new driveway with an entrance to Paloma Restaurant and King Realtors.

The development plan was briefly presented to include a building no more than four stories high, two levels of parking, preservation of the triangular shaped land at the corner of Broadway and Austin Hwy and the intent of adding greenspace, a mixed-used concept with no impact to flood zone. A floor plan was presented identifying the public space, residential use, swimming pool, and additional green space. He presented a comparison layout with the previous development plan, Gateway to Alamo Manhattan. Images were briefly presented that contribute to the project inspired by the architects with images of a contemporary Mediterranean look to complement the community. Mr. Peacock stated he is available for discussion or questions.

There was a brief discussion regarding process and focus on appraisal and reminded public of upcoming meetings.

The following citizens spoke on this matter:

Perry Donop, property owner, commented that an independent appraisal is obtained. He expressed in his opinion that it is a beautiful project and encouraged the developer to keep scale in mind.

City Manager Mark Browne stated the appraisal is located on the City's website as of last week. Mr. Lutz disclosed the appraisal was conducted by Stouffer and Associates.

Debbie Nason, resident and Vice-President of the Alamo Heights Neighborhood Association, expressed concern on the process and asked for clarification on the necessity of a resolution to proceed. She shared that she met with Mr. Peacock on November 17, 2014, and was informed that a purchase would not be initiated until information be presented to respective boards/commission.

Mayor Pro Tem Rosenthal responded to Ms. Nason that an appraisal is the first step and explained that tonight's action allows the project to continue or not. He referenced Mayor Cooper disclosed the public meetings on certain subject topics that will be presented to respective Boards/Commission. He stated it is an intent to Mr. Peacock's

request so the project may proceed. Mayor Cooper stated if it is approved today, it will still need to proceed with boards and commission.

Sylvia Wong, resident, recommended Council to vote against the sale of city streets as the development project had not been fully disclosed and there are codes to meet the City's needs for developers. She commented there is traffic congestion at Ellwood, Fenimore and Circle Street due to the parking issue at Paloma Restaurant. She commented that appraisal suggesting utilize 10% of easement value as a price point is out of realm and noted it shall be at current residential/commercial value.

Councilmember Hasslocher noted the different market value amounts for Parcel 4 and asked for clarification on the amount.

Mr. Browne stated there is a transposition error but will obtain accurate amount.

Olive Roen, resident, stated she is reading a message on behalf of her neighbor, Jordan Lamberg. She briefly provided his background and credentials. She stated that Alamo Heights should conduct an election for the road easement and the land be sold at a public auction. The project shall not take priority of the community. Ms. Roen stated she endorsed his sentiments and will forward his email to Council.

Julian Hall, resident, reminded Council of a development project the residents did not want. He expressed in his opinion that a full independent traffic assessment is necessary due to the four streets that are involved and Ausway Lane is small portion that will not contribute to the project.

Donna Balin, resident, expressed concern on the proposed resolution and asked for clarification of the resolution. She encouraged Council to consider the negative and positive impacts of the project.

Andrew Scott, resident, requested additional information prior to going forth with the project. He shared a story of a Hall of Fame project that was not viable for another city. Mr. Scott asked how the taxpayers will benefit from the project and requested tangible assets to view prior to approving this item.

Kathleen Fresenhan, resident, reminded Council that Patterson Drive, Cambridge Oval, and Alamo Heights Boulevard will be increased due to the impact that the closure of streets it will have.

Ken Wilson, expressed concern on the impact the project will have on parking and traffic. He shared how different the adjacent streets are and suggested Council acquire the cost to widen and/or narrow the streets. He also suggested "no parking" on Ellwood and Fenimore.

John Joseph, resident, expressed concern on the agenda language and process of the development of the project. He expressed disappointment on the proposed value at the taxpayers' expense.

Bryan Gray, resident, expressed concern on the process and commented the residents have everything to lose and not the developers. He suggested a land swap, or an alley way through Paloma Blanca Restaurant. He stated the City made a commitment that the valuation of this act would be impacted.

Elliot Weser, resident, reminded Council of the prior development project. He recommended Council not consider the resolution as flood concerns had not been discussed and highlighted the last traffic impact conducted by Pape-Dawson was faulty.

Susan Harwell, resident, stated she had been involved with neighborhoods and organizations and noted that neighborhoods are impacted. She stated something needs to be done with that proposed area of development. She suggested one Council member meet wtih the neighbors to answer their questions. Ms. Harwell expressed transparency on the value of the neighborhoods.

Trey King, property owner, stated his business, King Realtors, is adjacent to the location of the proposed development and expressed concern on the lack of details of the project and how it will impact his business, utilities, commercial vehicles, and access for first responders.

Lisa Price, realtor at King Realtors, stated there has been a parking issue with Paloma Blanca Restaurant and noted King Realtor's business parking lot is limited due to the overflow of the Restaurant. She expressed concern with parking at Alta and Broadway. She suggested Council to table this meeting until additional linformation is obtained.

Lawson Jessee, resident, expressed support in project and commented that he is young and plans to live in Alamo Heights for many years to come. He stated there is an opportunity for development and noted there are other public meetings for this item to be fully considered.

Pruyn Hildebrand, expressed concern with proposed sale/value price for the city-owned easement.

Jimmy Carr, resident, expressed in his opinion, that the property needs to be redeveloped; however, commented that the appraisal of $3.40 per square feet is ridiculous and City should not be subjective to that consideration.

Beverly Barshop, resident, asked clarification on the development process. She asked if value is agreed may anyone else can purchase the property.

City Attorney Mike Brenan stated this resolution does not bind the City and language may be amended as the resolution was broad. He noted this request is for a specific project. Mr. Brenan clarified that the City received an appraisal which provides a floor price in which the property can be purchased through an abandonment process. He explained the appraisal is required that provides a fair market value and set a floor value that the Council is considering and agreeing that if the next step in the process is favorable and resolved then the City will sell that process to that price.

Marcia Weser, resident, stated the community is the City's pride and joy and commented there are many things the City can do without closing streets.

Sarah Revely, resident, suggested the document could be strengthened and residents are concerned with language within the resolution.

Councilmember Prassel recommended the City obtain another appraisal.

Councilmember Billa Burke requested a roll call vote and Council agreed.

Mayor Pro Tem Rosenthal made a motion to agree to sell the property that the city owns to an amount equal to 200% of the appraised value of the two parcels estimating at $220,000. The offer is contingent on all other portions approved by boards/commission, parking/flood issues, including final review by Council. If there is anything that does not proceed then the offer is terminated. The motion was seconded by Councilmember Billa Burke. A vote did not occur due to various citizens shouting questions and expressing their comments regarding the agenda caption, price of sale and process.

Mr. Brenan and Councilmember Billa Burke explained the process of the first step of the process and a vote was necessary.

Mayor Cooper announced a break at 7:37 p.m. The meeting resumed at 7:43 p.m.

Mayor Pro Tem Rosenthal withdrew his previous motion and made a new motion for consideration. Mayor Pro Tem Rosenthal made a motion to delay and clarify at the January 26, 2015 meeting to discuss the sale of the property, modify the language in the resolution. He requested Blair Stouffer attend the meeting and explain the appraisal. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote via roll call.

Item # 7 Mayor Cooper read the following caption.

Public hearing, consideration, and action establishing a plat of a two (2) lot subdivision for a 0.670 acre tract of land out of Original City Lot 39, District 2, Range 1, City of Alamo Heights, Bexar County, Texas located at 610 Ogden Lane

Mr. Lutz made a PowerPoint presentation that included background information, current survey, and proposed plat.

Mr. Lutz identified the project as a plat to establish lots 1 and 2 of the Viesca View Unit 2 Subdivision located at 610 Ogden Lane. He presented the survey and proposed plat. He stated the plat met all technical requirements; however, the plat does have to meet one condition to be considered: if the demolition request is denied a plat note, addressing the nonconformance of the existing structure, must be added to the plat. The demolition review is scheduled for the Architectural Review Board (ARB) to review on January 20, 2015 and the City Council meeting on January 26, 2015. Staff received feedback from the public with one in support and none in opposition.

The public hearing opened at 5:38 p.m. No one signed up to speak. The public hearing closed at 5:41 p.m.

A motion for approval was made by Mayor Pro Tem Bobby Rosenthal. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote.

Item # 8 Mayor Cooper read the following caption.

Discussion and possible action regarding sewer rate charges

Finance Director Cynthia Barr made a PowerPoint presentation that included background information.

Ms. Barr stated she received information from SAWS regarding an increase in wholesale sewer rates of 6.4% effective January 1, 2015 to all wholesale customers. The increase will create an unbudgeted expense in the City's utility fund of approximately $75,000 annually. She presented a chart regarding current rates based on 100 cubic feet, SAWS proposed fee, and the 6.4 % increase. She added that SAWS charges a service availability fee of $149.02 per month. Ms. Barr noted that the increase is an unbudgeted expense and would take away from revenues to facilitate maintenance on City's infrastructure.

Mayor Cooper stated to examine water and sewer fees and make an appropriate increase if necessary. He requested further coordination with Councilmember Savage.

Mayor Cooper suggested a letter be sent to residents regarding possibility of increased sewer fees that were initiated by SAWS. He emphasized the importance of communication to residents and Council may consider after relaying information to residents. There was a brief discussion among Council regarding the timing of consideration and the amount of price to be considered.

Ms. Barr stated there is sufficient money to cover until full consideration in April 2015. Mr. Browne expressed concern with the capital replacement fund and impact of an annual amount of $75,000 the increase could impact the City if no action is considered.

He stated there is a possibility that their rate may be low due to their winter averaging, water usage and noted the City is in reduced water program. Mr. Browne agreed to send a letter to residents regarding the possibility of an increased sewer rate.

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Staff Reports

Item # 9 Mayor Cooper read the following caption.

Presentation of Financial and Investment Report for the fourth quarter ending September 30, 2014

Finance Director Cynthia Barr made a PowerPoint presentation that summarized the City's financial position. The Financial and Investment Report included General Fund Revenues/Expenditures, Utility Fund Revenues/Expenditures, Capital Projects Fund and an Investment Portfolio Update.

Ms. Barr presented a Budget to Actual graph for property tax collections for the Maintenance & Operations (M&O) and Interest and Sinking (I&S), year to date since 2009. A graph of the total sales revenues dated 2013-2014 was presented that included street maintenance tax collection. The graph displayed the increase in sales tax collections.

General fund expenditures were categorized by departments and noted at 94% year to date which is within budget. A graph of general fund expenditures was displayed for actual and budget for the fiscal year. Utility fund revenues & expenditures were presented. Ms. Barr stated currently the City is in stage 3 water restriction that reflected a decrease on revenue collection.

Ms. Barr reviewed the capital projects fund that included revenue and expenditure balances for the 2012 General Obligation (GO) bonds, and Community Infrastructure and Economic Development (CIED) fund, and transfers from the General Fund.

Ms. Barr provided an investment portfolio update with a beginning value as of July 1, 2014. She reported that the monies are at Jefferson Bank which yield a higher interest. She summarized the city's financial position as strong and positive.

Councilmember Hasslocher thanked the department heads and staff for being frugal.

Item # 10 Mayor Cooper read the following caption.

Discussion of new City facility utilized as a polling site

City Secretary Jennifer Reyna made a PowerPoint presentation that included background information.

Ms. Reyna informed Council of the polling sites that had been utilized in the past City and County elections. She identified Lion's Field and Adult Senior Center as the early voting site. In past elections, on Election day there had been different polling sites between the Alamo Heights Independent School District facilities and most recently, Alamo Heights Christian Church.

Ms. Reyna informed Council of the concerns with designation of a voting site.

Voting activities are as follows: Early Voting beginning on April 27, 2015 through May 5, 2015. Election Day is May 9, 2015. Information regarding the Council Chamber's availability was announced to include a Council meeting on April 27th and a Planning and Zoning (P&Z) meeting on May 4th.

Ms. Reyna requested Council's guidance in designating the Council Chambers as a polling site for any election activities. She informed Council that Election Code §61.003(a-1) and §85.036b allows an entity that owns or controls a public building may enact reasonable regulations concerning the time, place, and manner of electioneering.

There was a brief discussion among Council regarding the Council Chambers be utilized for election activities. Council agreed the Council Chambers be utilized as the Election day polling site for Alamo Heights residents.

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There being no further business, a motion was made by Councilmember Prassel to adjourn the meeting. The motion was seconded by Mayor Pro Tem Rosenthal and passed by unanimous vote. Mayor Cooper adjourned the meeting at 8:23 p.m.

Louis Cooper
Mayor

Jennifer Reyna
City Secretary