

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, DECEMBER 3, 1970.

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The meeting was called to order by the presiding officer, Mayor W. W. McAllister, with the following members present: McALLISTER, CALDERON, BURKE, JAMES, HABERMAN, NIELSEN, TREVINO, HILL, TORRES; Absent: NONE.

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70-53 The invocation was given by Councilman Edward H. Hill.

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The minutes of the meeting of November 25, 1970, were approved.

70-53 REPORT ON BANDERA FREEWAY PLANNING

As requested by the City Council, at its meeting November 25, 1970, Mr. Stewart Fischer, Director of Traffic and Transportation, appeared before the Council with a prepared report on traffic planning, particularly on the West Side of San Antonio. Copies of the report were distributed and members of the Council were invited to follow the report, as he read from it. (A copy of the report is filed with the papers of this meeting.)

In his report, Mr. Fischer traced the steps taken by the SABCUTS report to arrive at the conclusions and recommendations made in the report. He described alternative plans, which had been considered, including bypass routes and boulevards, as well as the proposed expressway.

Mr. Fischer strongly urged the Council to make an early decision, regardless of what the decision might be, so that projects now being contemplated in the Model Cities area might not be delayed.

In conclusion, Mr. Fischer stated that it is imperative that the transportation problem of northwest San Antonio be resolved. The Department of Traffic and Transportation considers the SABCUTS proposal to be the best solution from the standpoint of transportation service and of preservation of the neighborhoods comprising the area. It is recommended that all of the work be reviewed by a planning consultant to include:

- a. The identification of existing physical and topographical controls
- b. The development of urban environmental controls
- c. The development of plan alternatives
- d. The determination of social and monetary costs.

The Urban Renewal Agency has engaged planning consultants who are preparing land use plans for the Model Neighborhood Area. It is

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recommended that their work be expanded to include a review of the SABCUTS study and the preparation of an acceptable substitute for the expressway proposed or the determination of expressway corridors best suited to the community.

Dr. Nielsen disagreed with the idea expressed that there is a severe problem in northwest San Antonio and that expressway planning is needed. He did express agreement with the plan for Urban Renewal and the State Highway Department to work with the City in studying the area, however.

Council members were in general agreement with the recommendation to employ a consultant. Mr. Fischer was asked to be prepared to give the Council the names of two or three of the best qualified consultants in this type of work, as well as an idea of the approximate fee involved.

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70-53 Mayor McAllister was obliged to leave the meeting and Mayor Pro-Tem Calderon presided.
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70-53 The following Ordinance was read by the Clerk and explained by Purchasing Agent, John Brooks, and after consideration, on motion of Mr. Hill, seconded by Dr. Nielsen, was passed and approved by the following vote: AYES: Calderon, Burke, James, Haberman, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: McAllister.

AN ORDINANCE 39,089

ACCEPTING THE LOW BID OF PRASSEL
 LUMBER COMPANY TO FURNISH THE
 DEPARTMENT OF PUBLIC WORKS WITH
 CERTAIN YELLOW PINE LUMBER FOR A
 NET TOTAL OF \$4,857.41.

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70-53 The following Ordinance was read by the Clerk and explained by Purchasing Agent, John Brooks, and after consideration, on motion of Mr. Hill, seconded by Mr. Trevino, was passed and approved by the following vote: AYES: Calderon, Burke, James, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: McAllister, Haberman.
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AN ORDINANCE 39,090

ACCEPTING THE LOW BID OF TRAFFIC
 SUPPLIES, INC. TO FURNISH THE CITY
 WITH CERTAIN ALUMINUM SIGN BLANKS
 FOR A NET TOTAL OF \$2,669.00.

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70-53 The following Ordinance was read by the Clerk and explained by Purchasing Agent, John Brooks, and after consideration, on motion of Mr. Hill, seconded by Mr. Trevino, was passed and approved by the following vote: AYES: Calderon, Burke, James, Nielsen, Trevino, Hill; NAYS: None; ABSTAIN: Haberman; ABSENT: McAllister, Torres.
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AN ORDINANCE 39,091

ACCEPTING THE LOW BID OF GUIDO BROTHERS
CONSTRUCTION COMPANY FOR RENTAL OF
CERTAIN HEAVY EQUIPMENT FOR CLEARING
AND GRADING OF "J" STREET PARK AND
APPROPRIATING \$9,782.00 OUT OF PARK
IMPROVEMENT BONDS PAYABLE TO SAID
CONTRACTOR.

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70-53 The Clerk read the following Ordinance:

AN ORDINANCE 39,092

ACCEPTING THE LOW BIDS OF THE
TORGERSON COMPANY AND GOLDTHWAITE'S
OF TEXAS TO FURNISH THE CITY WITH
CERTAIN MOWING EQUIPMENT FOR A
TOTAL OF \$5,671.00.

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Purchasing Agent, John Brooks, explained that there are two awards being made by this Ordinance, one of which is to the Torgerson Company, which is delinquent in taxes owing to the City. He stated that there is a friendly tax suit between the Torgerson Company and the City, which accounts for the delinquency. He recommended that the Council waive the restriction against making an award to a delinquent taxpayer in this instance.

After consideration, on motion of Dr. Nielsen, seconded by Mr. Trevino, the Ordinance was passed and approved by the following vote: AYES: Calderon, Burke, James, Haberman, Nielsen, Trevino, Hill; NAYS: None; ABSENT: McAllister, Torres.

70-53 The following Ordinances were read by the Clerk and explained by Purchasing Agent, John Brooks, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Calderon, Burke, James, Haberman, Nielsen, Trevino, Hill; NAYS: None; ABSENT: McAllister, Torres.

AN ORDINANCE 39,093

AUTHORIZING THE PURCHASE OF SEVEN
1971 SUBSCRIPTIONS TO "FACTS ON FILE"
FOR A NET TOTAL OF \$1,190.00.

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AN ORDINANCE 39,094

AUTHORIZING THE PURCHASE OF TWO
MOBILE TRANCEIVERS FOR THE DEPARTMENT
OF AVIATION FROM KAAR ELECTRONICS
IN THE AMOUNT OF \$2,896.00.

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AN ORDINANCE 39,095

ACCEPTING THE LOW BID OF SOUTHERN
JEWELRY MANUFACTURING COMPANY TO
FURNISH THE CITY WITH CERTAIN EMPLOYEE
SERVICE AWARDS FOR A NET TOTAL OF
\$1,963.20.

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70-53 The following Ordinance was read by the Clerk and explained by Assistant Director of Public Works, Mel Sueltenfuss, and after consideration, on motion of Mr. Hill, seconded by Mr. Trevino, was passed and approved by the following vote: AYES: Calderon, Burke, James, Haberman, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: McAllister.

AN ORDINANCE 39,096

ACCEPTING THE LOW BID OF MEADER
CONSTRUCTION COMPANY IN THE AMOUNT
OF \$53,686.22 FOR CONSTRUCTION OF
AIRPORT INDUSTRIAL PARK SANITARY
SEWERAGE SYSTEM; AUTHORIZING EXECUTION
OF A CONTRACT COVERING SAID WORK;
APPROPRIATING \$53,686.22 OUT OF
SEWER REVENUE FUNDS PAYABLE TO SAID
CONTRACTOR AND \$2,500.00 AS A
CONTINGENCY ACCOUNT ALSO \$600.19
PAYABLE TO PAPE-DAWSON, CONSULTING
ENGINEERS, CONSTITUTING THE BALANCE
OF FEES DUE.

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70-53 Mayor McAllister returned to the meeting and presided.

70-53 The Clerk read the following Ordinance:

AN ORDINANCE 39,097

AMENDING THE CURRENT AGREEMENT WITH
ALEXANDER GRANT AND COMPANY, CERTIFIED
PUBLIC ACCOUNTANTS, FOR AUDITING
SERVICES IN COMPLIANCE WITH AUDIT
REQUIREMENTS OF THE MODEL CITIES
PROGRAM BY ADDING A PROVISION
PERMITTING SAID FIRM TO FURNISH
CERTAIN ACCOUNTING SERVICES ON A
TEMPORARY BASIS TO THE CITY'S MODEL
CITIES PROGRAM FOR THE FISCAL YEAR
1970-71 AND INCREASING THE AMOUNT
OF THE CONTRACT.

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Assistant Director of Finance, Carl White, explained this Ordinance. He said that the Department of Housing and Urban Development, in recently published directives, has made it necessary for the Model Cities Department to expand its auditing capability to provide for more monitoring of projects. Until the additional staff can be employed and trained, it will be necessary to contract for additional outside service.

After consideration, on motion of Mr. Trevino, seconded by Mr. Hill, the Ordinance was passed and approved by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: None.

70-53 The following Ordinances were read by the Clerk and explained by members of the Administrative Staff and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: None.

AN ORDINANCE 39,098

AUTHORIZING THE CITY MANAGER TO EXECUTE QUITCLAIM DEEDS TO CERTAIN PURCHASERS IN CONCURRENCE WITH OTHER TAXING ENTITIES OF CERTAIN PROPERTIES ACQUIRED THROUGH TAX FORECLOSURES, AND AUTHORIZING PAYMENT OF COSTS INCURRED THEREIN.

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AN ORDINANCE 39,099

MANIFESTING AN AGREEMENT WITH THE PASEO DEL RIO ASSOCIATION TO EXTEND THE PRESENT LEASE AGREEMENT FOR USE OF RIVER WALK PROPERTY FOR RIVER FESTIVALS, FOR A PERIOD OF ONE YEAR, BEGINNING JANUARY 1, 1971.

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AN ORDINANCE 39,100

APPROPRIATING FROM CERTAIN FUNDS AMOUNTS IN THE TOTAL SUM OF \$438.00 IN PAYMENT FOR EXPENSES INCURRED IN CONNECTION WITH THE ACQUISITION OF PROPERTIES FOR SALADO CREEK OUTFALL SEWER LINE, U. S. 281 NORTH EXPRESSWAY, ST. HEDWIG ROAD DRAINAGE, CENTRAL SECTION - U. S. 81 EXPRESSWAY, SOUTH SECTION - U. S. 81 EXPRESSWAY, NORTH SECTION - U. S. 87 EXPRESSWAY, OVERPASS - COMMERCE & BUENA VISTA STREETS, AND STORM DRAINAGE PROJECT #68.

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AN ORDINANCE 39,101

APPROPRIATING \$36,950.00 OUT OF STREET IMPROVEMENT BONDS FOR ACQUISITION OF PROPERTY FOR THE McCULLOUGH AND ASHBY REALIGNMENT PROJECT; AUTHORIZING PAYMENT OF \$15,000.00 FOR ACQUISITION OF PROPERTY FOR THE MODEL CITIES EVALUATION/SITUATION CENTER AND ACCEPTING AN EASEMENT FOR THE CLOSING AND RELOCATION OF A PORTION OF PETROLEUM DRIVE.

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AN ORDINANCE 39,102

AMENDING THE CURRENT BUDGET BY PROVIDING ADDITIONAL PUBLIC HEALTH SERVICES FOR THE EAST SIDE ALSO IMPROVED IMMUNIZATION SERVICES; AUTHORIZING FOUR ADDITIONAL EMPLOYEE POSITIONS AND A TRANSFER OF FUNDS.

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70-53BREWER ELEMENTARY SCHOOL STUDENTS

Mayor McAllister welcomed a class of students from the Raymond Brewer Elementary School, who were accompanied by their instructor, Mrs. J. Edward Rosenthal.

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70-53ANNEXATION PROGRAM

Mayor McAllister asked the City Manager to review, once again, the overall annexation plan, which he had proposed. He reviewed the necessity for annexing the University of Texas site and the surrounding area, but said that some of the owners of large undeveloped tracts had raised considerable objection to the program, as presented.

City Manager Henckel reviewed, for members of the Council, his original program, which is designed in three phases over an eight-year period. In considering the objections of owners of the large undeveloped tracts, Mr. Henckel stated that he has developed an alternate plan, which would delay annexation of those areas for about two years. He further stated that it would be necessary, in some cases, for the City to acquire easements in some of the tracts and that he could justify a delay in annexation only if the owners of these tracts would agree to furnish easements to the City at no cost. Under the alternative plan, the area proposed to be annexed in 1971 would be reduced approximately 18 square miles.

The Council discussed whether to hear from interested citizens at this time, after which Dr. Nielsen made a motion that they be heard. Seconded by Mr. Torres, the motion failed by the following vote: AYES: Nielsen, Torres; NAYS: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill; ABSENT: None.

The Council then agreed to hear citizens interested in the annexation program during the Citizens To Be Heard section of the agenda.

The whole annexation matter was discussed, pro and con, by all members of the Council and it was agreed that further discussion of the program would be held at the Council's "B" Session on December 17, 1970.

70-53 The following Ordinance was read and explained by Mr. Jake Inselmann, City Clerk, and after consideration, on motion of Dr. Calderon, seconded by Rev. James, was passed and approved by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: None.

AN ORDINANCE 39,103

MANIFESTING AN AMENDMENT TO THE MUNICIPAL CODE CORPORATION CONTRACT FOR AN INCREASE IN PRICE OF THE LOOSELEAF SUPPLEMENT SERVICE FURNISHED THE CITY OF SAN ANTONIO.

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70-53 The Clerk read the following Ordinance for the first time:

AN ORDINANCE 39,104

PROVIDING FOR THE EXTENSION OF CERTAIN BOUNDARY LINES OF THE CITY OF SAN ANTONIO, TEXAS, AND THE ANNEXATION OF CERTAIN TERRITORY CONSISTING OF 13.067 ACRES OF LAND, WHICH SAID TERRITORY LIES ADJACENT TO AND ADJOINS THE PRESENT BOUNDARY LIMITS OF THE CITY OF SAN ANTONIO.

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Acting Planning Director, J. H. Wilkerson, explained that this property is known as Pan Am Subdivision and is owned by J. D. Development Company, who requested the annexation. It is located on Weidner Road, just north of Mabelle Drive.

No one spoke in opposition.

After consideration, on motion of Mr. Trevino, seconded by Mr. Hill, the Ordinance was passed and approved for publication only, by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Nielsen, Hill, Torres; NAYS: None; ABSENT: Trevino.

70-53 The Clerk read the following Ordinance:

AN ORDINANCE 39,105

AUTHORIZING THE ISSUANCE OF \$30,000,000 SAN ANTONIO ELECTRIC AND GAS SYSTEMS REVENUE IMPROVEMENT BONDS, SERIES 1971,

PAYABLE ONLY OUT OF REVENUES OF THE CITY ELECTRIC SYSTEM AND GAS SYSTEM PROPERTIES FOR THE PURPOSE OF EXTENDING AND IMPROVING THE ELECTRIC AND GAS SYSTEMS OF THE CITY, PROVIDING FOR A SIXTH SUPPLEMENTAL INDENTURE COVERING AND MORTGAGING THE ELECTRIC SYSTEM AND GAS SYSTEM PROPERTIES OF THE CITY AND THE REVENUES THEREFROM TO SECURE SAID IMPROVEMENT BONDS ON A PARITY WITH THE PRESENTLY OUTSTANDING REFUNDING BONDS AND IMPROVEMENT BONDS AND IMPROVEMENT BONDS WHICH MAY BE HEREAFTER ISSUED, ALL IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND PROVISIONS OF ARTICLE VIII OF THE TRUST INDENTURE DATED FEBRUARY 1, 1951, BETWEEN THE CITY AND HARRIS TRUST AND SAVINGS BANK AND F. O. MANN, TRUSTEES, AS AMENDED.

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Dr. Calderon made a motion that the Ordinance be passed and approved. The motion was seconded by Mr. Hill.

Dr. Nielsen referred to a letter from Congressman Gonzalez recommending that the City employ a qualified utilities supervisor; that the City Charter be amended to require public hearings on matters pertaining to utilities and that an in-depth study be made to determine the role of utilities in the community. He discussed, with Mr. O. W. Sommers, Manager of the City Public Service Board, the assumed interest rates, which may be bid, and the capabilities of the Amistad Dam to furnish power to this area of the State.

Mr. Jack Locke, Chairman of the City Public Service Board, advised they have previously submitted information supporting the need for a bond issue to carry out the program of improvements to the electric and gas systems for the next five years and recommended that the Ordinance be passed. He said that the City Public Service Board has no objection to the City hiring a first class consultant. He added that every improvement made has been with the recommendation and suggestion of Ebasco Engineers.

Mr. Torres spoke against the issuance of the bonds and discussed the reasons, as outlined in his memorandum to the members of the City Council, dated May 22, 1970, a copy of which he filed with the City Clerk for the record.

Mr. Joe Olivares, Jr. spoke against the issuance of the bonds.

Mr. Stephen Harvasty, 7113 Bandera Road, representing the United Councils for Civic Action, read a prepared statement in opposition to the issuance of the bonds, a copy of which is filed with papers of this meeting.

After further discussion, on roll call, the Ordinance was passed and approved by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill; NAYS: Nielsen, Torres; ABSENT: None.

70-53 The Clerk read the following Ordinance:

AN ORDINANCE 39,106

PROVIDING FOR A NOTICE OF SALE AND THE TERMS AND CONDITIONS OF SALE OF \$30,000,000 CITY OF SAN ANTONIO ELECTRIC AND GAS SYSTEMS REVENUE IMPROVEMENT BONDS, SERIES 1971.

(Bid opening to be 10:00 A. M., Thursday, January 7, 1971.)

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After consideration, on motion of Dr. Calderon, seconded by Mr. Hill, the Ordinance was passed and approved by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Trevino, Hill; NAYS: Nielsen, Torres; ABSENT: None.

70-53 APPEAL OF MR. ROY C. SMITH, SAN ANTONIO INSURANCE HOLDING POOL, FOR PERMIT TO OPERATE A HOLDING POOL AT 1223 MARCH AVENUE

Mr. Robert M. Tippins, an attorney, appeared before the Council, representing Mr. Roy C. Smith. He explained that Mr. Smith had applied for a permit to operate a holding pool, but that Mr. George Vann, Director of Housing and Inspections, had recommended that a permit not be issued on the grounds that the intended use is, in reality, nothing more than a junk yard. Mr. Tippins disagreed with Mr. Vann's recommendation and explained that no auto parts are sold to the public. Rather, Mr. Smith would buy wrecked cars from insurance companies and, in turn, resell them to high bidders.

After a discussion of the matter, several Council members stated that they would prefer to inspect the location before making a decision.

Mayor McAllister announced that further consideration of this appeal would be postponed to the meeting of December 23, 1970.

70-53 CITIZENS TO BE HEARD

ANNEXATION PROGRAM

Mr. Clifford Morton, Morton and Lee Company, Developers, appeared before the Council with Mr. Jim Uptmore of H. B. Zachry Company, to discuss the proposed annexation program. Both men disagreed with the plan, as presented, saying that they felt that the more densely developed areas should be annexed first, even though the cost of capital improvements would be greater.

Mr. Morton stated that he felt that more planning should go into the annexation, as this will be deciding the future growth of the City for many years.

Mayor McAllister thanked them for their presentation and invited them to meet with the Council in its informal session on December 17 for further discussion.

BANDERA EXPRESSWAY

Mr. Joe Castillo spoke in opposition to plans for a Bandera Expressway. He also referred to discrimination in employment by the City Public Service Board.

FOOD STAMP PROGRAM

Dr. James MacKay, representing Project FREE, spoke to the Council concerning the Food Stamp Program and urged the Council to delay any action, which would cause abandonment of the program. (A copy of Dr. MacKay's presentation is included with the papers of this meeting.)

70-53MODEL CITIES CPPC - BY-LAWS

Mr. Roy Montez, Director of Model Cities, presented the Council members information pertaining to the restructuring of the CPPC. He said that the items have been discussed by the Human Resources Department, CPPC members and Councilman Trevino. He asked that Council study the information and then act on it at the December 10 meeting.

Mr. Montez advised that the CPPC Election Committee also had recommended that for this year only, the neighborhood elections and the annual meeting of the CPPC be held in January, 1971, instead of December, as established in the By-Laws.

After consideration, Dr. Calderon made a motion that the elections and annual meeting of the CPPC, scheduled for December, 1970, be postponed to the month of January, 1971. Seconded by Mr. Trevino, the motion prevailed by the following vote: AYES: McAllister, Calderon, Burke, James, Haberman, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: None.

Mr. Montez was instructed to prepare, for next week's meeting, the necessary Ordinances confirming the action taken today.

70-53FOOD STAMP PROGRAM

Councilwoman Haberman stated the Council, last week, expressed concern about the possible termination of the Food Stamp Program. Since that time, a letter has been received from Mr. Burton Hackney, Commissioner of the State Department of Public Welfare, advising the program will be terminated on January 29, 1971, unless assurance is given that sufficient funds are available to staff, house and operate the program properly. The City is being asked to take action without benefit of what an audit of the present operation may indicate.

Mrs. Haberman advised that a broad-based citizens' group, called the Food Stamp Task Force, has been established with plans for involvement of a U. S. Department of Agriculture Director, a State Department of Public Welfare Administrator, the County Judge, a Legislator, Welfare Rights organization representative and others. She believes it would be wise if the Council communicated its feelings, so as to attempt to reach a decision to cover, not only the present needs, but a plan, which will provide a continuing program and protective measures. A meeting of the group will be held on Friday, December 4. She asked that a Food Stamp Program discussion be placed

on the December 10 "B" Session agenda, at which time more information will be available. Mrs. Haberman said she planned to attend the meeting and asked the Council's feeling in support of a plan to meet the need in some fashion; the manner and amount could be determined at a later date.

It was the consensus of the Council that something must be done to resolve the problem.

Dr. Calderon made a motion that Mrs. Haberman be appointed, as a committee-of-one to represent the City Council on the Food Stamp Task Force Committee. Seconded by Rev. James, the motion prevailed by the following vote: AYES: McAllister, Calderon, Burke, James, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSTAIN: Haberman; ABSENT: None.

The Mayor asked that as many members of the Council as are able to do so should attend the meeting, which is to be held at 10:30 A. M. in the Community Welfare Council Building. In the meantime, the Mayor stated he would write a letter to Mr. Hackney requesting an extension of the January 29 deadline.

Mrs. Haberman also asked that the City Manager be requested to formally invite the members of the Bexar County Legislative delegation to a get-together with the City Council on December 15.

There being no further business to come before the Council, the meeting was adjourned.

A P P R O V E D



M A Y O R

ATTEST: 
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ADDENDUM TO THE MINUTES OF THE
MEETING OF THE CITY COUNCIL
DECEMBER 3, 1970

DISCUSSION REGARDING THE BANDERA FREEWAY PLANNING - DECEMBER 3, 1970

As requested by the City Council at its meeting on November 25, 1970, Mr. Stewart Fischer, Director of Traffic and Transportation, appeared before the Council with a prepared report on traffic planning, particularly on the West Side of San Antonio. Copies of the report were distributed and members of the Council were invited to follow the report as he read from it. (A copy of the report is filed with the papers of this meeting.) Following the reading of the report the following discussion took place:

MAYOR McALLISTER: Thank you, Mr. Fischer. I think that is a very interesting report. May I ask when was this report made? How many years ago?

MR. FISCHER: The SABCUTS report, sir?

MAYOR McALLISTER: Yes.

MR. FISCHER: It was made in 1965 and early 1966. It is being updated at the present time.

MAYOR McALLISTER: And from your knowledge of conditions in San Antonio, would you say that it traces present conditions with remarkable fidelity?

MR. FISCHER: Yes sir, the population estimate for 1970 was about 800,000 if I remember right. The vehicle registration estimate for 1970 was within about 12,000 of the actual.

DR. NIELSEN: Stewart, while you're on the population projection in your '68 updating you show City of San Antonio for 1970 as 766,998, for county 873,841, we actually have about 650 and 823 something. Going back to the '50 whatever date this is '56 or something, yes, June, '56 as I see the population and vehicle registration projections, they're all extremely high. The projections then for 1940 thru '70 for persons living within city limits by 1970 would be 980,000. That's within the city limits, not county. Of course, we're nowhere near that. I still cannot find any serious substantiation for your thesis or theme that there is a major transportation problem in the northwest as you geared it this way anyway from the point of the Bandera Expressway. Granted there is a look at I. H. 10. That thing is in the northwest quarter. Why in the world have we not through all these years done something about widening I. H. 10 and improving that? It seems to me to be far more economical. Other cities have done this. Why is it so imperative that we suddenly open up another avenue to the central business district.

MR. FISCHER: The answer to that, sir, I think we have given you the answer before, is that we have made attempts to widen the northwest expressway. We were told that this was federal policy not to widen an interstate system until the interstate has been completed. I am aware that there are other cities in which this has happened. I do not know how it happened in those cities.

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DR. NIELSEN: Could we not pursue that?

MR. FISCHER: We have pursued it through the sources we have available to us, sir. Now, you are correct the northwest expressway does need help; however, this particular and again we are not suggesting that the expressway is the only answer. We're suggesting that it's imperative that we resolve the question so we can proceed. Our problem basically is one of a stack of cards here. If we are to improve the northwest expressway, we need someway to relieve it first, which calls for the bypass. We cannot build a bypass until we know what we are going to do about the Bandera. So that each needs to be resolved so we can proceed.

DR. NIELSEN: But that's another assumption-that whole Bandera?

MR. FISCHER: Assumption of what?

DR. NIELSEN: Well, I don't know. That's exactly what I want to ask you. What is this miraculous number of people or whatever is out that way that we're predicting want to come to the central city? That's what I'm asking. I just don't know where you can substantiate that.

MR. FISCHER: From an O & D study, sir. From an investigation, from personal interviews, from asking people where. An O & D study says where did you travel yesterday? It doesn't ask you where do you want to go? Or what do you think of the downtown or what are your planning concepts? Or anything else, it ask you where did you go yesterday? Based on that we have a very strong CBD.

DR. NIELSEN: Oh, you've got those O & D figures just perfect. I realize that, but they're still based on assumptions that people want to come to town in an expressway to the central.....

MR. FISCHER: They're based on the assumption that they did come to town.

DR. NIELSEN: Well, I'm not going to argue that with you. I didn't talk to these people. I didn't do this survey. You know we can do all kinds of things with surveys and statistics. Okay. Why is it not more imperative to spend that \$70 million for improvement of Loop 410 which was the best thing, I think, one of the best things the Highway Department and the City ever did, was to build a major loop around the City, and why do we not push harder for the extension of I. H. 37 to the southeast and a whole host of things instead of back to that old fallacy which I contend is that somebody seems to think it's best to run an expressway to the center of the City through a dense area. I disagree vigorously. That's just not the way to do, maybe 20, 30 years ago when we first planned this it was the thing to do. Why are we not putting our emphasis on some other various in the largest sense that are extremely important to the future growth and development.

MR. FISCHER: Dr. Nielsen, if you will pardon the expression, we don't care where we build an expressway so long as it's where the people want to go, and this is what this study has done, sir.

MR. TORRES: Yes, but were not your projections when the original SABCUTS study was prepared, were they not confined to merely justifying a location for an expressway not necessarily the location but justifying the application for additional expressway development and, secondly, has not the law changed since this study was originally made whereby since that time the law has change to allow federal funding for boulevard construction. Wouldn't that be true?

MR. FISCHER: No, sir. I know of no federal funds for boulevard type construction. We have TOPICS, but that is not a street widening, that is a spot intersection type of spot improvement. That is to take care of particular bottlenecks but not to widen a total street. The first part of your question, sir, again the SABCUTS was not a study to justify anything. It was a study to resolve the transportation requirements of the San Antonio metropolitan area. It uses expressways because they are the most efficient means of moving people and vehicles that we know of as the most modern, Dr. Nielsen, and that it uses these, uses the expressway because it does the least amount of damage to a community.

DR. NIELSEN: That's debatable.

MAYOR McALLISTER: Gentlemen of the Council, we've had a very interesting presentation and one that, of course, will not be resolved with one meeting, but with many meetings. If you are agreeable to it, I think that we will just express our thanks to Mr. Fischer for having made this presentation and say that the matter rests with us for consideration and then for determination on our part what course shall be followed. I suggest, Mr. Fischer, that you be prepared to give us your own suggestions, not now, but your own suggestions at an informal session, or B session as to the best two or three experts or consultants in this matter. We can then determine what needs to be done and also you might, Mr. Douthit, have some idea in mind as to what the price and fee would be. Does any member of the Council want to ask any other questions?

MR. HILL: Yes. Mr. Mayor, let me ask Stewart - on your recommendation with the Urban Renewal Agency in their engaging of planning consultants, have you had any expression from them about the possibility of expanding these planning consultants into the expressway.

MR. FISCHER: I think that Mr. Bitter is here. I'm not sure if Mr. Martin is here or not, but we have had conversations that indicate that this could be a possibility if the Council desires for them to proceed with this. Certainly it is rather difficult to prepare a master plan for the Model Neighborhood Area without knowing what we are going to do with this question.

DR. NIELSEN: Well, it is the whole question of transportation finally what we are saying, the whole street system. Stewart, I am delighted to see that it looks like you are recommending a team design concept. Do we have anyone here from the Highway Department?

MR. FISCHER: Yes, sir. Bob Deegan is here. Mr. Deegan, incidently, is the study director for SABCUTS and has been since its very inception so he is very, very familiar with it.

DR. NIELSEN: Could I ask you one question, Mr. Deegan? Will the Highway Department go along with the team design concept in the consideration of this Hill Country, or whatever we are calling it now, expressway?

MR. DEEGAN: Yes, sir.

DR. NIELSEN: Thank you.

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DR. CALDERON: Stewart, in your opinion, is the case of planning that has been hired by Urban Renewal to take care of the land study for the upper half of the Model Neighborhood Area, do you feel that this is a competent firm that would be able to undertake this additional assignment?

MR. FISCHER: Yes, sir. I think they're eminently qualified. First, from the technical standpoint, but more importantly I think they are preeminently qualified for this particular problem inasmuch as they have and are in the process of making a complete land use study of the area of the northern half of the Model Neighborhood Area.

MR. TORRES: Well, in effect, you have already discussed this matter with the Kazen people, or have you not?

MR. FISCHER: We've had some informal conversations.

MR. TORRES: And I've imagined you have received the impression from them that they would go along with the recommendation which you are making to the Council. It just seems to me that this whole matter in your opinion, although as I understood the discussions last week, the idea was to come up with some proposals, with some ideas as to alternatives and justifications for each one and the thing seems to be out of balance. You seem to be coming to the Council and pointing out that we can't go any of a number of ways that the only way that we can go is in accordance with the recommendation of the SABCUTS study of some years ago. I'd merely want to point out to the Council, I mean this is certainly obvious from the discussion here this morning. There is a couple of things I'd like to point out to the Council. First of all though, Stewart, when you mentioned that in order to go the boulevard route the minimum number of takings would be in terms of dwelling units. You mentioned 1,023.

MR. FISCHER: Yes, sir.

MR. TORRES: You would be talking about taking part of that route being the Bandera Road and then.....

MR. FISCHER: No, sir.

MR. TORRES: No?

DR. NIELSEN: Yes, you included, it's included in your.....

MR. FISCHER: It's included on your tabulation, it was not included in that total I gave you.

MR. TORRES: I see, but the proposed route, or if you were to recommend a boulevard route, which route would you take? Which route would you recommend?

MR. FISCHER: There is no single boulevard route, Mr. Torres. This is the point we were trying to make that it takes 18 lines to do it.

MR. TORRES: I realize the point that you were trying to make in terms of the projections of which you had, but I'm talking about in terms of recommending one single boulevard route. Have you considered any particular route that you would recommend?

MR. FISCHER: I cannot recommend a single boulevard route, sir, because that will not provide for the traffic.

MR. TORRES: Based on the projections which you have made.....

MR. FISCHER: That's correct, sir.

MR. TORRES: I see. So, when you are talking about 1,023 dwelling units on the one hand before going the alternative boulevard route, how many dwelling units would you have to take to go the expressway route?

MR. FISCHER: We have no knowledge of that yet, sir, because this is where we are. We're trying to get to the point to find out what it takes. We have no routes. We have several corridors that have been recommended, but within these corridors there has been no study, no plans. We're trying to get approval to proceed in that direction, sir.

MR. TORRES: Yes, but I just don't understand.

MR. FISCHER: It would be my judgement that it would take less than half of that for the freeway, but this is merely a guess.

MR. TORRES: Less than 500?

MR. FISCHER: Yes sir, less than 500 dwelling units.

MR. TORRES: Less than 500 dwelling units, why there is nearly 500 dwelling units in one census tract.

MR. FISCHER: We don't take the whole census tract, sir.

MR. TORRES: I realize, but if you were to take let's say a three mile stretch of freeway, for example, or better yet every mile of freeway takes 24 acres. So if you've got in that particular area which is a heavily concentrated area, how many miles of freeway say from the downtown area to the outer extremities, how many miles of freeway would that take?

MR. FISCHER: That would be in the range of seven miles. However, let me point out, that the figures we gave you with the boulevard system were between Interstate 35 or 10 and McMullen Drive. We went no further. We were using these only as an illustrative figure, sir.

DR. NIELSEN: Well, if that assumption of 24 acres per mile is correct, and you get five dwelling units per mile that's 110 dwelling units per mile, and if you're talking about just 10 miles that's 1,000 dwelling units.

MR. FISCHER: But we're not talking about 10 miles, sir. In fact, in the comparable area, we would be talking about three miles, sir.

MAYOR McALLISTER: Gentlemen, we can be here all day.....

DR. NIELSEN: Well, we're playing a numbers game that we really don't have.....

MR. TORRES: I should think, Mr. Mayor, that when you're talking about a matter which is as important as the taking of a large number of homes in a part of this community and discussing all alternatives, I should think that it just might be worthwhile to be here all day, Mayor.

MAYOR McALLISTER: I don't disagree with you on that, but what I'm saying to the Council is the thing for us to do is to have a special meeting and discuss this subject alone.

MR. TORRES: Well, okay.

DR. CALDERON: Mayor, I would like to recommend that we accept Mr. Stewart Fischer's recommendation of hiring a consultant. I think that this would be the right and proper course to take. Now as to which consultant to hire, of course, remains a question. I would like to recommend that we at this time officially ask the Urban Renewal Agency whether they are amenable to amending their contract with the, as I recall, I believe it is the Kazen consulting firm to include a study, a review of the four areas here that Mr. Fischer has outlined, areas that need to be looked into and need to be resolved. Again, I would agree with you, Mr. Mayor, that we could talk until we're blue in the face and really not resolve anything. I think that we do need expert advice, Mr. Fischer is so recommending, and I think that we need to address ourselves to finding a competent firm to give us the expertise and to give us the information that we need. It would appear to me to be certainly a logical move if the Kazen Company would undertake this study due to the fact that they are presently under contract with the Urban Renewal Agency to develop a overall land use for that area. They certainly, in the course of time, have been doing the study and are apparently sufficiently familiar with the area to where they would have a sufficient backlog and to use as a basis for taking on this new assignment. So, I recommend that the agency be asked whether they would be amenable to amending the contract.

DR. NIELSEN: Mr. Mayor, we've had an agreement or an expression from Mr. Deegan that the Highway Department would and is interested in a team design concept. If that's the case, I think there would be little or no City expense; and, if perhaps Kazen could be part of that team design. That's basically what these four points spell out here as pretty much the team concept. There's no reason for us to spend any undue money in the situation, and let's see if the Highway Department does follow up on.

MR. TORRES: Let me ask you this, Stewart, has the Kazen firm taken a previous position one way or another, done any studies pertaining to the Northwest expressway or any studies for the Highway Department? Do they have any contracts with the Highway Department?

MR. FISCHER: I know of no contracts they have, sir. Now, with regard to a position on the northwest expressway, if they have one I have not heard it, sir.

MR. TORRES: I think, of course, I'll go along with Dr. Calderon on the matter of a study, but I don't think that this thing ought to be cut and dried to where if we're going to make it look on the surface like we're vigorously involved in seeking alternatives and then ultimately we're obtaining a firm that has already come to a conclusion on the matter. I'd like to ask that Mr. Henckel obtain, for the benefit of the Council, the names of the various firms with the backgrounds on these firms and people with whom they have dealt with in the past. I

should think that in the matter that involves citizen interest and citizen participation that the matter of the choice of the consultant should also be discussed with the CPPC in the Model Cities Area since that group is going to be involved in the planning for this expressway. Could you come up with something like that, Mr. Henckel? You would be able to obtain the names and the backgrounds on the firms that, possible firms, that we could contract with, is that right?

CITY MANAGER HENCKEL: Yes, sir. I think that would be a normal procedure that we get various firms who are capable and available and present to you the various firms, and you can make the decision.

MR. TORRES: Because and that is the only regard in which I would disagree. The reason that I would take pains, Mr. Mayor, and I think that the Council should take pains to seek an absolutely independent consultant firm in the matter. I like the idea of the consultant, but if we are going to go with someone that has already taken position on this, has made a predetermination then, of course, we're going to be oblivious to the ten year difficulties that we have had on the North expressway. We're going to be oblivious to the ecological considerations that went into the North expressway, and have come up already in discussion pertaining to this particular project. We're going to be oblivious to the alternatives and the human factors involved in view of the people in the area who have expressed opposition to this. I should hope that the Council carefully studies even the appointment of a consultant because after all there are consultants that represent special interests and there are consultants that represent people. I should hope that we could hire the latter.

DR. CALDERON: Mr. Mayor, let me say that I would be totally agreeable to have the City Manager come up with two or three firms. Certainly if, for example, the Kazen firm would certainly be interested conceivably they could be one of those recommended by the City Manager and so the basic point here, it seems to me, that we should not here and now disqualify and exclude a firm that is here now actively involved in land use planning in the area. But, certainly, I would go along with you, Mr. Torres, in expanding the request to include other firms as well.

MAYOR McALLISTER: I'd say, Mr. Henckel, that this is a rather urgent matter. Will you see if you can get the information for us and come before us at an early date? I see Mr. Bitter here. Mr. Bitter, as you are chairman of the Urban Renewal Agency here, have you any comments to make?

MR. BITTER: Other than this - we certainly don't want to get into a political fight between Mr. Torres and Dr. Nielsen and the Council in trying to pick a route out there. We are not capable of doing anything like that. We have tried to do everything to please the City Council, and we intend to do it and try to do it right. I think that Mr. Henckel can come up with good consultants, and if we can do our part, we will.

MAYOR McALLISTER: All right.

DR. NIELSEN: Thank you, Mr. Bitter. Expressways and highways and those programs have always been political, and they always will be.

MAYOR McALLISTER: Thank you, Mr. Fischer.

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DISCUSSION RELATING TO THE PROPOSED ISSUANCE OF \$30 MILLION CPSB BONDS
DECEMBER 3, 1970

CITY CLERK: I have an Ordinance authorizing the issuance of \$30,000,000 San Antonio Electric and Gas Systems Revenue Improvement Bonds, Series 1971, payable only out of revenues of the City Electric System and Gas System properties for the purpose of extending and improving the Electric and Gas Systems of the City, providing for a Sixth Supplemental Indenture covering and mortgaging the Electric System and Gas System properties of the City and the revenues therefrom to secure said improvement bonds on a parity with the presently outstanding refunding bonds and improvement bonds and improvement bonds which may be hereafter issued, all in accordance with the laws of the State of Texas and provisions of Article VIII of the Trust Indenture dated February 1, 1951, between the City and Harris Trust and Savings Bank and F. O. Mann, Trustees, as amended.

MAYOR McALLISTER: Okay.

DR. CALDERON: So moved.

MR. HILL: Seconded.

MAYOR McALLISTER: No discussion - call the roll.

MR. TORRES: Mayor.....

DR. NIELSEN: Mr. Mayor, let's see if we can have a little discussion on this, please. I see the members of the City Public Service Board, or some were here, I don't know if, yes, there's Mr. Locke. Is Mr. Sommers here? I have a couple of questions for him.

MR. JACK LOCKE: Yes, he's here. Gentlemen of the Council, I'm Jack Locke and the Ordinance has been presented and this matter was fully presented about a month ago, but if there are any further questions from anybody, we're here and we'll try to answer them.

MAYOR McALLISTER: Thank you, Mr. Locke. Dr. Nielsen, any questions?

DR. NIELSEN: Yes, Yes - In referring to a letter from Congressman Gonzalez of August 3, 1970, to you, Mr. Mayor, there are several questions that he raised. One - being the, as he saw it and has for some time, the urgency or the necessity, if you put it in milder terms, for a utilities supervisor to the - I know we went through this a month ago and the Council majority felt that would not be of any assistance. I want to say, since that time, I've - and since Mr. Locke and Mr. Sommers were very considerate to provide some information - I've tried to get some help on a voluntary basis strictly in unwinding or seeking some answers to a few basic questions that have been in this community for some time. Mr. Sommers and Mr. Spengler were good enough, one night about a month ago, to come out and speak to a group of us on the whole issue of the City Public Service Board, what it's role was in the community, what they saw their responsibility to be, and so on.

I want to read, very quickly, the three points that the - that Congressman Gonzalez brought up. One, well, I won't read them, I'll just summarize it very quickly. The first, that we, the City, have a utilities supervisor or a qualified person with a competent staff to undertake the studies in the matters that pertain to rate regulation and the whole business. That the - also suggested the City Charter be amended to require public hearings, which I guess this does in some fashion provide and that adequate notice be given, and, thirdly, that the - that an in-depth study, concerning the role of the utilities in the community, be made.

Now, I'm asking, at this time, that, if we're not going to hire a consultant, specifically about the bond issue, or anything else, that we take much more seriously the matter of the - of an in-depth study of the role of the utilities in San Antonio. I would assume that this would be done in some fashion by hiring a consultant. The other question would be to Mr. Sommers.

MR. JACK LOCKE: Might I say one thing about the consultant?

DR. NIELSEN: Go ahead, Mr. Locke.

MR. JACK LOCKE: Of course, we'd be - have no objection in the world to the City hiring a first class consultant, but I just want to mention this, that, in the first place, the impression seems to be with some people, that the Board is in conflict with the City and might attempt, in some way, to put something over on the City and, accordingly, the City ought to have a consultant. I want to remind you that this is a City utility, owned by the City, and the Board is appointed merely to operate it. As far as a consultant is concerned, the Board already has the best consultant that they could find, that's Ebasco Company. I might add here that the Board doesn't pay Ebasco a thousand dollars a month just to have a man come here once every couple of years and testify for them. They employ Ebasco to advise them and consult with them on everything they do in the way of improvements and that every improvement that the Board has made, for many years, has been upon the recommendation and with the approval of Ebasco, which the Board feels is as good a consultant as we can find. I assure you that the Board has never attempted, and I'm sure never has, tried to put anything over on the City, take any advantage of the City. Once in awhile the City's taken a little advantage of the Board, but we have never taken any advantage of the City.

MR. TORRES: When did that happen? I don't quite recall that particular situation.

MR. JACK LOCKE: Oh, we've had instances where the City has owed us money and they finally talked us out of it.

DR. NIELSEN: Well, that's cause we're your poor cousins, Mr. Locke.

MR. JACK LOCKE: Beg your pardon.

DR. NIELSEN: That's because we are your poor cousins.

MR. JACK LOCKE: Well, that's right. Mr. Sommers, would you come up here - well, where, here he is. You see.....

DR. NIELSEN: Yes. Two things in the letter of - well, now, you can't call - this was not the letter, but a data sheet or something that was provided us about six or eight weeks ago, it was suggested that the calculated or assumed interest rate of six and a quarter percent would be authorized on these bonds. Now, that strikes me as inflationary, at this particular time, when we're not quite sure what the bond market's going to do, it seems to be that there's indications it'll go lower - why are we just marching on, in the midst of that uncertainty, to assume a six and a quarter percent interest rate, which is very costly and inflationary?

MR. O. W. SOMMERS: Well, of course, it doesn't cost anything to use that in an estimate and we had to use our best judgment in the estimate. I think we're on the conservative side there. In other words, we're estimating, possibly and certainly, in the light of recent developments that the interest rate will be considerably less than that.

DR. NIELSEN: Now, this, you're talking about issuing these when, now?

MR. O. W. SOMMERS: The bonds will be issued as of February 1.

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DR. NIELSEN: And, it just seems to me that it might be wiser for us to wait until right after the first of the year to see what the bond market has done shortly thereafter and then reconsider this. Now, why is it that you seem so insistent in doing it now?

MR. O. W. SOMMERS: Well, of course, we have to proceed with the understanding, like we explained in our letters and in information, that we have, are making commitments, almost daily, for future development.

DR. NIELSEN: Yes.

Mr. O. W. Sommers: Because you have to order some of these items three and four years. So, we have to know that, if, when those, that equipment comes in and that we are billed for it, we have the money to pay for them.

DR. NIELSEN: Well, in light of that, would the one hundred million plus dollars of, what do you call it - power plants, and the fact that that's a little less than half of the 227 million dollars and that the 30 million dollar bond issue is slightly over ten percent, what would really be the serious problem with a three to six months' wait in the authorization of 30 million dollars worth of bonds? You can project, on the basis of the other 193 million, can you not?

MR. O. W. SOMMERS: Well, yes, sometime down the road, we're going to have to have some additional bond issues like we've explained before.

DR. NIELSEN: Okay.

MR. O. W. SOMMERS: Either we have to cut back on our expansion program and not give adequate service to the community or we're going to have to raise rates or we're going to have to issue bonds, that's.....

DR. NIELSEN: Okay. On the expansion or the question of whether we, the second part to this, now, whether we expand or do not, just hold fast, and so on - the other night, a question came up about the Amistad Power Plant and the plans thereof and - what was your response again, now? Something to the effect that.....

MR. O. W. SOMMERS: Well, first of all, there isn't sufficient capacity there to do any good. Another thing, it is not firm power, it is what they call dump power. In other words, the only time they, those generators will run is when they want to let water down the river. If they're impounding water, you can't wait until they start up the generators to get some electricity. The other thing is, that power, as I understand it, has already been contracted for, but it is of such small quantity that it wouldn't do us any good.

MR. TORRES: Well.....

DR. NIELSEN: Well, the article, excuse me, just - go a little further in this - an article in the Sunday Express-News in August, Mr. Frank Oliver, who writes a syndicated column, has stated that, and this is in regard to the Amistad Dam, the recreational benefits, a whole host of things, but the point of maximum electrical potential of Amistad, according to him, is 393 million kilowatt-hours annually. To say that's potential, I grant you, that's not developed yet. That's almost enough juice to light up Texas. If there's the remotest truth, well, well, ours is only one million something, right?

MR. O. W. SOMMERS: Oh, you're talking about kilowatt-hours.

DR. NIELSEN: Yes! Yes!

MR. O. W. SOMMERS: Not kilowatts.

DR. NIELSEN: Kilowatt-hours. 393 million kilowatt-hours.

MR. O. W. SOMMERS: Well, that's still a small quantity, cause we're using, San Antonio's using over four billion kilowatt-hours a year.

DR. NIELSEN: Well, how come, what's the assumption that that's almost enough to light up Texas?

MR. O. W. SOMMERS: I don't know where they get that. I think he's.....

MAYOR McALLISTER: Well.....

Mr. O. W. Sommers: He's confused or something.

DR. NIELSEN: Well, do you know for sure exactly what the plans are for Amistad?

MR. O. W. SOMMERS: No. I don't know exactly. I know that the quantity that they can generate there is small compared to our requirements. I can definitely say that.

DR. NIELSEN: Have we considered the fact that we have a boundary of basically the county size, what we will do, supposing we can ever get a bit more of industrial development and everything and that we will meet those needs and simply be unable to go any further? Is there any provision for us to assume that we can tie into these other utilities across the State or in this particular region and.....

MR. O. W. SOMMERS: We already are.

DR. NIELSEN:to what extent do we do that, Mr. Sommers?

MR. O. W. SOMMERS: Well, we have several lines that connect with the Lower Colorado River Authority and also several lines that connect with the Central Power and Light and those utilities are also interconnected with about eighty percent of the State of Texas. And, we're right now in process of improving the capability of interconnection.

DR. NIELSEN: Okay. Then, there's no particular reason for us to assume that if we do not act now, that we're just, you know, down the drain, that that would be the dissolve or the dissolution of any progress in the City of San Antonio, in light of the fact that we are related to these other agencies, who have.....

MR. O. W. SOMMERS: But they're not going to supply the City of San Antonio.

DR. NIELSEN: Well, but we have a relationship with them, whereby in case of.....

MR. O. W. SOMMERS:for emergency use.....

DR. NIELSEN:a margin, well, we use it every day, right?

MR. O. W. SOMMERS: No, No.

DR. NIELSEN: I thought that we had a contract with Guadalupe River, Guadalupe Valley, Guadalupe Rural, whatever it is, (GVRA), Guadalupe Valley Rural Electric.....

MR. HILL: I think it's Guadalupe River.

DR. NIELSEN: Guadalupe REA. That we had a daily contract with them.....

MR. O. W. SOMMERS: We have no contract. No, we have not.

DR. NIELSEN:for maintenance of - in the evening, when the peak load comes on.....

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MR. O. W. SOMMERS: No, not with Guadalupe.

DR. NIELSEN:well, I'd been told by some of those people that we did.

MR. O. W. SOMMERS: Well, they,.....

DR. NIELSEN: We do not.

MR. O. W. SOMMERS: We don't even have an interconnection with them.

DR. NIELSEN: I thought there was one - well, anyway, I'm not going to argue with you about it. Well, can you, just right now, say what you think the interest rate will be that we will buy these bonds at.....

MR. O. W. SOMMERS: I'm afraid that my crystal ball is a little cloudy on that. I would say that it's certainly less than six and one half percent at the present time. What it will be in January when the bids are opened I couldn't say.

MR. TORRES: But at six percent over the life of the bonds - what would that amount to? Just to give me an idea of what we would be paying in interest rates on that \$30 million.

MR. SOMMERS: I don't have those figures, Mr. Councilman. We pay right now with debt that we have.....

MAYOR McALLISTER: Mr. Sommers, isn't it a fact that the bonds of the San Antonio Public Service Board are rated AAA.

MR. SOMMERS: Correct.

MAYOR McALLISTER: That's the highest rating you can get on commercial bonds.

MR. TORRES: Well, Mr. Mayor, the sad and the pathetic thing about all of this is that we are trying to discuss a matter about which no member of this Council has any particular expertise and which, in the last month since we announced the matter of the notice of intention to issue these bonds, this Council has not, at least not in this Council Chamber, has not bothered to so much as go into the merits or the justification of the CPSB proposal. Now, we are planning to issue \$30 million in bonds. Just about a few months ago we concluded about a one year to a two year study on issuing \$65 million in capital improvement bonds for the City of San Antonio. The only reason I bring that up is merely by way of an analogy, Mayor, to show how it is that we had our staff with the necessary research facility, with the expertise, the necessary accounting to make a determination of exactly what projects we were going to go into, whether they were needed, whether we ought to give priority of one over the other, exactly the manner in which these projects were going to be used in the City of San Antonio. We erased some - we interjected others so that by comparing the proposal made here by the CPSB and then to our own discussions on our own bond proposal I can see no great difference and yet we are unable to sit here intelligently, Mayor, because we have no consultant, no one to advise the Council. Now, Mr. Locke points out that the Board is not trying to put something over on the City. I don't think that anyone has ever intimated that except that there are certain interests that are represented by the Board. They are looking to particular projects which they want and to take care of an operation which they have over there and to, perhaps not on the surface, but at least it would appear that the manner in which we are issuing the bonds, we are merely perpetuating a system and a Board, which appoints their own successors, which doesn't seem democratic in our society.

Now I don't think that anyone is saying that the Board is trying to put some thing over on the City but we are not their alter-ego nor are they our alter-ego. I think that we each have our function and we have responsibility to protect the consumers in San Antonio - the San Antonio public - I think that when Mr. Locke refers to a consultant, by the own admission of the gentlemen from the consulting firm, that is receiving a thousand dollars a month and has been receiving a thousand dollars a month for several years - by his own admission, he has never participated in an analysis of the production of a plant. That is not his function - that is not his responsibility. He is primarily, as I understood him, you might correct me, sir, as I understood him he is primarily a rate man and the testimony that he has made is that he has testified for utility companies in the past and before commissions in support of rate increases. At no point has he ever testified for consumers and this is the very point that we are trying to stress here today - that we are here to represent not the interest of the CPSB but the interest of the citizens of San Antonio - the consumers in San Antonio.

Now, on May 22nd of this year when I first heard that the Board was contemplating the issuance of \$30 million in bonds I asked that the matter be put on the agenda for the following Council Meeting. I sent a memorandum to the Council. I asked that we inquire to determine what was the percentage of new construction that was going to be needed for new customer additions as against the increased loads of existing customers to try to decide if, perhaps, there is a disparity in charging the citizens, the people who live within the City Limits, the same rate as those people who live 20 or 30 miles outside the City. It's my contention that the that the reason for having to continue to issue bonds is that we are subsidizing the people who live far outside San Antonio and that they ought to have to pay a higher rate so we can eventually come to true city ownership. Now, consider that less than five years ago we issued \$30 million in bonds. Consider that when this project was purchased it was purchased for \$32 million and that with this \$30 million issue the indebtedness on the plant is going to be in excess of \$100 million. Consider, too, if the Council would - if the Council cares to - consider that the Board is already talking about another issue in less than five years. Now, if we are going to continue with this approach which the Council majority has - is resorting to - or acquiescing in, if we're going to continue using this approach, we're not ever going to see the day, certainly not in my lifetime, when we can see true City ownership of the utility. My impression was, when this system was purchased, in reviewing the transaction in 1942, when the system was purchased, it was with the intent and purpose, all intents and purposes, of the City and the citizens of San Antonio having control in the management of the system. We cannot say that we have that today. We have made numerous requests for - we have made numerous requests, and I'm sorry that the Mayor of San Antonio, who I have criticized for not exercising leadership, continues to refuse to exercise leadership in the matter that is vital to the people of San Antonio. We have made.....

DR. CALDERON: Let me say that he may have gone to the restroom.

MR. TORRES: Well, we have made, except that this happens, this happens quite often, when we're in the middle of some very serious conversations, Dr. Calderon. There have been many, many requests for an independent analysis. There is, of course, the comments that have been made by our local Congressman, as Dr. Nielsen intimated.

On numerous occasions, particularly prior to the issue of the last \$30 million bond issue, prior to the authorization of that particular issue, I suggested that we have an independent consultant and the Council majority, at that time, indicated that there was not sufficient time - I brought this up last May, so that we could contemplate, prior to the issuance of these bonds, the fact that we needed an independent consultant and that the City hire an analyst to review the proposal. We have not done that and this Council, I don't think, is aware of the fact of where

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this money is being spent or how it is going to be spent. I certainly don't know the first thing about the validity of the Board's request. I think that we need an independent analyst, a utilities commission in the City of San Antonio. I cited that need as soon as it was obvious that the City Public Service Board would approach the Council. I cited the fact, too, that there was a rapid depletion of 1967 bonds, which would make it necessary to continue a surveillance on the expenditures of the bond money and I would like to urge, Mayor, that if nothing else, that we, at least, maintain a surveillance on how the bond money is going to be spent and how rapidly it is being depleted, so that we can make a determination in the next year and before the \$30 million are depleted, so that we can make a determination, if we are going to - if we should then, at that time, come up with an independent analyst. I think it's inconsistent for the City to subject its own capital improvements bond issue to a critical analysis for over one year, when we don't even subject the CPSB request to any kind of analysis. I don't think that we have answered the questions, as to what customers are being served by the capital improvements, where they are located. We don't know what the plant capacity is. I don't think that the Council would know what to do with that information, if we had it. Where will the plants be? What is the cost of each plant? How much is kilowatt capacity going outside the City of San Antonio? I think these questions are relevant. I don't think the Council has even concerned itself with these questions.

Finally, we have pointed out many, many times the matter of the restrictive bond indentures. We've pointed out many, many times and we have had questions from citizens before us on their employment practices. We've had questions concerning bidding irregularities by the City Public Service Board. We've had questions concerning their sales promotion, as if they were a private business. We've had questions concerning the security light system, which in no way pays for itself. I think that we should establish whether the Board policies of extending the system to new developments, and to the 21 or so municipalities served by the system, and to farmhouses at nominal or no costs, are not the real reasons for the depletion of the bond funds. I think we should provide a mechanism for protecting consumers or rate fiascos, such as we had last summer or two summers ago, when people who were gone on vacations received the highest electric bills in history. I think we should have the authority to regulate the taxpayers' money used to fight the consumer through full-page advertisements and inserts with utility bills. We should be able to curtail the use of City Public Service Board money for political purposes, such as was done last summer, when the CPSB pushed the water amendment in the Constitutional Referendum. We should be concerned that one utility charges a higher rate for services rendered outside the City to defray the capital investment in the system, when the City Public Service Board fails to take similar action. We should, at least, be able to act intelligently when we make decisions pertaining to the City Public Service Board. And, frankly, Mr. Mayor, I don't think that we're doing this. I'd like to ask that we defer any action, first of all, in view of Dr. Nielsen's comments that possibly there is something inflationary in the request of the Board, and, secondly, that it wouldn't be the right time to approve these bonds. Finally, that this Council just does not have the information and the independent expertise to intelligently come to any kind of a conclusion, Mayor.

MAYOR McALLISTER: Okay, you - may I ask, with the permission of the Council, may I ask Mr. Sommers a few questions?

Mr. Sommers, is it not a fact that when this property was bought in 1942, that we paid \$34 million in round numbers for it?

MR. O. W. SOMMERS: That's correct.

MAYOR McALLISTER: All right. Is it not a fact that at that time we had a rated capacity of about 110 thousand kw of which only about 65 thousand was dependable?

MR. O. W. SOMMERS: Correct.

MAYOR McALLISTER: What is the installed capacity at the present time?

MR. O. W. SOMMERS: One million seven hundred thousand kilowatts.

MAYOR McALLISTER: One million seven hundred thousand. Ladies and gentlemen of the City, I want to say to you, that in my judgment, we are very, very fortunate in having had men of the quality who have served as Trustees of the Public Service Board, give of their time, in the manner in which they have, so that today we have an installation that is, at least, almost 30 times as large as the installation that we got. We have a plant that has a net depreciated value of approximately 3 hundred million dollars. Is that correct, Mr. Sommers?

MR. O. W. SOMMERS: It's something over 3 hundred million.

MAYOR McALLISTER: Something over 3 hundred million dollars, all of which has been earned through smart and efficient operation of the system and the charges and so on that Mr. Torres makes, speeches that absolutely do not refer to the proposition at all. I have no objection as far as that goes, if the Council wants to employ an expert, for them to do so, but I say to you that we have had the benefit of experts operating this system and I also want to say that the citizens of San Antonio get their gas and electricity at the lowest rates of any of the major cities in the United States. Am I correct in that statement, Mr. Sommers?

MR. O. W. SOMMERS: That's correct.

MAYOR McALLISTER: All right. I think we have nothing to do except to say, thank you to the men who have served as Trustees.

MR. HILL: Mr. Mayor, I'd like to say my position on this is that I think that the City Public Service Board, not only the present one, but those that have served in the past, have done a great service and a tremendous job to keep up with the ever-expanding demands laid on by industry, as well as population increase in San Antonio. If we think as citizens, we've seen an expansion in the last two decades, if we just look out ahead to the next decade, with the building of the Veteran's Hospital, which the ground was broken two weeks ago, I'm told within a year, the ground will be broken for the Texas Dental School and hoping, within that same period of time, for the University of Texas at San Antonio. If we think we've experienced expansion, anybody that cannot foresee where San Antonio is going, I think are just being blinded to the realities of the expansion and what the potential is for San Antonio and, as far as I'm concerned, I agree with the presentation that has been made. I have gone over the facts and figures. I'm no expert, but I think I can still make two and two equal four and, as far as I'm concerned, personally, as an individual, I support your request 100 percent.

MR. TORRES: If I may speak to that, Mayor, I.....

MR. STEPHEN HARVESTY: I would like to be heard.

MAYOR McALLISTER: You are out of order, Sir.

MR. STEPHEN HARVESTY: Mr. Chairman, I think the citizens are entitled to be heard on this.

MR. TORRES: Are they going to be heard?

MAYOR McALLISTER: No, they are not going to be heard on that. This is not an open discussion. This is not a public hearing.

DR. NIELSEN: You mean that at no point are we having a public hearing?

MAYOR McALLISTER: This is not a public hearing. This is an action of the Council. It is a matter that has been brought before the Council before and

DR. NIELSEN: You mean then that you are not, as Congressman Gonzales suggested, having a public hearing.

MAYOR McALLISTER: No. When you have a public hearing you make that announcement that you are going to have a public hearing and then you go ahead.

DR. CALDERON: Mr. Mayor, I would like to recommend that we do hear these two gentlemen that wish to speak but I would urge you to be brief.

MR. JOE OLIVARES: Thank you and good morning, members of the Council. In view of the seriousness and the importance of the subject that you are going to consider for action this morning, I think that it can be readily presumed that this Council is cognizant of all of the facts, issues, and implications that your actions will import. Therefore, if I may ask Dr. Calderon if you will go along with me for a few minutes while we together analyze some of the aspects that this matter brings forth. I am not in sympathy with anyone really. I have no special information either from the City Council or the CPSB. I have heard Mr. Locke express himself and give us a rather skimpy report here two or three weeks back. I have in my possession a copy of their most recent annual report. Dr. Calderon, when was the last time that you saw the CPSB annual report?

DR. CALDERON: When I got it.

MR. JOE OLIVARES: Could you tell me then what is the total amount of cash and equivalent convertible debentures.....

MAYOR McALLISTER: Mr. Olivares, if you wish to discuss this question please go ahead and do so. Don't stand there and ask the Council questions. Give us the information or points that you want to bring out.

DR. NIELSEN: But, on the other hand, if this is a public discussion or hearing there is no reason why he cannot ask a question. If he refuses to answer that's something else but there is no reason he can't ask.

MR. JOE OLIVARES: I'm asking the councilman a question so that together we can bring forth and publicly discuss some of the items.....

MAYOR McALLISTER: Why don't you bring out the points that you want to bring out?

DR. NIELSEN: He is beginning to, Mr. Mayor.

MAYOR McALLISTER: Yes, he is.

DR. CALDERON: Joe, let me give you the same statement that Mr. Torres made as he was concluding his very, long winded presentation. The statement that he made is that he sees no way how we as a Council can intelligently evaluate the issue that is before us. Certainly, I would agree when he said that in the absence of experts there is no way we can intellegently evaluate the proposal. So obviously with that in mind his arguments prior to that point apparently were based on that final statement. I think that the whole issue is whether we have trust in the integrity and the competence of the Board. This is the basic question. I look upon them as experts in this field, just as we would look upon you, Joe, if we were hiring an engineer. We rely necessarily, as lay people, on experts. I consider these gentlemen experts and therefore, I rely solely on their advice. My answer to you is the statement that Mr. Torres made as he concluded.

MR. TORRES: Will you permit me then, Mr. Olivares, to make a comment also in partial reply to what Dr. Calderon says.

MR. JOE OLIVARES: Certainly.

MR. TORRES: Let me ask you a question, then. Do you think that it is right that the CPSB operates as a separate entity under the trust indentures - do you think it is right that this Council, not having independent analysis, for a member of this Council who is supposed to represent the citizens of San Antonio - not the bond holders - not the people with security interest who the Board represents - do you think it is right for him to acquiesce in the proposal made by the CPSB? By his own admission saying that he does not have any independent knowledge of what the Board has presented here.

MR. JOE OLIVARES: Well, when he has already admitted that he was not ready - incompetent - to fully understand the subject matter that he is going to vote on. In view of the fact that the annual budget of the CPSB is larger than the budget of the City of San Antonio, which is close to \$60 million, the budget of the CPSB is close to \$100 million, I think that it is in the absolute responsibility of this Council to make itself ready and competent to take the action that it will take this morning otherwise, Mayor Pro-Tem, you are not Mayor Pro-Tem but Mayor Pro-Sham.

MR. STEPHEN HARVESTY: (Mr. Stephen Harvesty, 7113 Bandera Road, representing the United Councils for Civic Action, read a prepared statement in opposition to the issuance of the bonds. A copy of the statement is filed with the papers of this meeting.) Following the reading of the statement the discussion continued:

MAYOR McALLISTER: Mr. Harvesty, I want to just assure you of one thing. I have attended, as representative of the Council, almost all of the meetings of the CPSB since I have been Mayor. I want to tell you that at no time, have I heard the question of nuclear plants recommended at all. As a matter of fact, I have raised the question before the group and they have said that in their opinion nuclear plants are not yet adequately developed to where it becomes safe for us to consider them. So there you are.

MR. STEPHEN HARVESTY: Mr. Mayor, you just mentioned that you have represented the City Council, as the Mayor, on the CPSB for years. May I ask you a question about that? Have you ever made a public report to this Council on what has been going on there? I have asked members of the City Council and they tell me you have never made a report.

MAYOR McALLISTER: Yes. I have spoken about the operation of the CPSB again and again and I want to say furthermore, right now, that I consider it a very efficiently and carefully operated system and I want to say that our little zero equity in 1942, because when we bought it for \$34 million we owed \$34 million and we didn't have one cent of equity. That zero equity has grown today to where it is in excess of \$300 million depreciated. That is over and above the indebtedness.

DR. NIELSEN: And efficient and cheap service is more important than that equity, Mr. Mayor.

MAYOR McALLISTER: All right, we have a motion. No further discussion, call the roll.

AYES: HILL, McALLISTER, CALDERON, JAMES, TREVINO, HABERMAN, BURKE

NAYES: NIELSEN AND TORRES.

CLERK: The motion carries, Your Honor.

DR. NIELSEN: (voting) No, the interest rate is too high, We are very concerned, I've heard you express this before, Mr. Mayor, that we not contribute to inflationary trends and I think this Council ought to reserve this right also. We should reappraise this in three to six months and we should reserve the right to determine the interest rate - not leave it an open end issue for the CPSB. (There is an inaudible response from someone in the audience.) What I'm saying though is that it ought to be the right of the Council to decide this. (There is a general and confused discussion which is not readable.)

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DISCUSSION OF ANNEXATION PROGRAM

MAYOR McALLISTER: All right, Mr. Henckel, if you'll take over.

CITY MANAGER HENCKEL: What has previously been distributed to the Council is the copy of the annexation map which you see up there in the corner with the three colored areas with a recommendation consideration of proposed annexation of the period of 1970 through 1978. I will preface the statistical data with the remarks that, Number 1, this report was made at the request of the Council. During the last two years, everytime we have a developer request for annexation, the Council has been becoming increasingly concerned over the pockets that are being created by developer annexation, and had instructed the Manager to come up with an annexation program which would square off the city limit lines which would take in consideration the projected growth of the City.

Because of the selection of the University of Texas site in the Northwest quadrant of the City, the staff thinking on annexation has changed considerably. It was our original thinking that the areas shown in yellow, which are now projected for 1973 thru 1976 and which are the most densely populated areas outside of the City, were the primary annexation requirements. However, as a result of the University of Texas site selection the staff is now of the opinion that the orange area, which includes this site, should be the first under consideration. It is the staff's opinion that because of the site selection that this area will be one of the more rapidly developed areas. Secondly, that the City Council has already committed to the University that utilities and city services will be provided to the University. The City then, of course, as a result of this, will build a sewer line to the University site, and in this statistical data that was furnished to you previously, which you have additional copies this morning, shows the additional capital improvements that will be required for the City to provide these services. In addition, the staff has presented to you a cost analysis of service to the various colored areas. The orange area, of course, being one of the least densely populated areas. I'd like to point out at this time, that there is never a proper time in so far as popularity politically or what have you, for annexation because in essence, your bringing people into the City, that of necessity will have to pay taxes and no one likes to pay taxes. So it's not a popular move, normally, on the part of any City Council anywhere, to take in any areas, and specifically large areas, into the City.

We have tried to come up with a progressive and orderly growth pattern for the City, taking into consideration the fact that we are limited by law as to what we can annex. Included in the orange area is a lot of undeveloped property, ranch land, etc. In the pros and cons as to whether or not you should take in undeveloped property when you have developed property sitting right on the outskirts of the city limits, bear in mind that at one time the property now developed was in the same position or condition that the undeveloped property we're considering taking in and had we had an annexation program ten or fifteen years ago that we would be following, we would not have the problem that we have today with all of these areas lying outside of the City. So one of the things, bear in mind, that the staff's attempted to do is to prevent a future occurrence of what has happened in specifically into the yellow areas that having densely populated areas sitting right on the outside of the city limits. These people receiving some benefits and, of course, this argumentative as to what benefits they receive from the City of San Antonio when they are not citizens and are not contributing to economic picture of the City insofar as support, financial support for area, City facilities, and services that are being offered. The yellow area is projected for 1973 thru 1976 and again this would be at the discretion of the Council as to what parts or portions of the yellow area they would want to take in those years. The green area is projected from 1974 thru 1978. This is the least densely populated area but, in the opinion of the staff, are areas that will be developed insofar as subdivisions in

future growth by the City. We're also attempting in this program to give protection through our extraterritorial jurisdiction in the areas of northwest, swinging on over north central and northeast because it is obvious that this is the way that the City has been growing during the past decade and it's our prediction that this is the way it will continue to grow. You are repeatedly seeing the newspapers projecting developments in these areas, one being the New Town or New City that's being projected at the site known as the San Antonio Ranch. There are also other developments further out in the county, that are not shown on the map, which are just other indications that growth has been from northwest to north central to northeast.

Basically, this plan is a plan that the Council could consider, it's a very general plan. The Council could consider all of it, consider part of it, or they could consider none of it. It is our presentation based on your request to management, to come up with an overall annexation plan so that people in the various areas would know approximately what year they are going to be included in the City. We think that it would provide orderly and progressive growth. I'll be happy to try to answer questions and we have various members of the staff here who will also answer questions.

MAYOR McALLISTER: I might say to members of the Council that in this area taking in the University of Texas land that is absolutely essential that we extend the city limits to that particular point. A question has been raised, by some of the larger property owners in that area, whose property is unimproved at the present time, with regard to the handicap or the burden upon them if their property was included in the City and had to pay taxes and, accordingly, I asked Mr. Henckel to make a study as to conditions, under which, we could fairly extend our city limits to include that property that is to be developed and also provide relief, temporary relief at any rate, to the owners of large properties that are not yet ready for development. They're ready to develop at the present time. Had you given some thought to that, Mr. Henckel?

CITY MANAGER HENCKEL: Yes Sir, we have and we have prepared an alternate plan for your consideration which would, in effect, remove from the orange area large unimproved plots, sites, or what ever you may call them. Projecting annexation of these areas either in 1972 or 1973 given the owners of these particular large tracts time to proceed with what ever proper development they seem necessary. The overlay then, of course, will show the darker red area as the area that we would recommend still for immediate annexation, which would be initiated either this month or initiation early part of January of 1971. Deleted from it, then of course, would be the orange area, which are areas that are the unimproved areas insofar large ranches, etc. This would do the following: It would reduce the area from immediate annexation from 49 square mile to approximately 31½ square mile by taking the light orange areas out, annexing only the dark red area. We would then project the additional orange areas that have been removed to be annexed in 1972 or 1973. At such time we believe additional city facilities, sewers, etc. would be available for development. At the same time, we think that it would be no more than fair to the City in consideration for deferment of these areas, that the properties in the orange areas in consideration for such deferment give the City such necessary easements as are necessary through their property for utility construction because it's going to be necessary that sewer lines go through some of the property. It's going to be necessary that the other utilities, water, electricity, and etc. Just briefly, if you would bear with me, it will reduce very slightly the number of dwelling units in the initial proposed area from about 2,008 to 1,864 so you can see, that of the 18 square miles that are being deleted there are just a very few dwelling units in those indicating they are large ranches, farms, etc. The population estimate of 7,229 would only be reduced by 529 people. Basically, all this does is take out the large undeveloped areas in the initial annexation and defer them to 1972 thru 1973.

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DR. NIELSEN: Mr. Henckel, have we had a, I know its understood that we're to provide the services, have we ever had a written request from the University of Texas for services? Have we had a formal request?

CITY MANAGER HENCKEL: No Sir, I think that the.....

DR. NIELSEN: I know its understood, its implied, we've not had a clear expressed written request for services, Right?

CITY MANAGER HENCKEL: No Sir.

DR. NIELSEN: Do you know what the status is of the transfer of property clear title, etc, etc,?

CITY MANAGER HENCKEL: I do not Dr. Nielsen, but I think that the City should have made available to them from the University these documents before we proceed to spend any money what so ever. Now we are, of course as of today, already hiring engineers so that we can proceed with the engineering on the sewer line.

DR. NIELSEN: Mr. Mayor, have you had any further response on the request to the question of the exclusion, or the mineral rights exclusion, in this title? Have you had any further.....

MAYOR McALLISTER: No, I have not had any response from the University of Texas with reference to that. It seem to me, members of the Council, that this is merely a preliminary presentation. Gives us something to consider and study. I would suggest that if you feel that its proper procedure that we ask Mr. Henckel, or his staff, to contact the owners of those large pieces of property and get their consent to your proposal because that, of course, is essential to getting consideration to your substitute plan, and I also suggest that we set a very early date for a hearing on the question of annexation.

MR. TORRES: How many property owners are you excluding.....

CITY MANAGER HENCKEL: In number, Pete, I don't know off hand. It varies, there are two or three very large tracts, included in the area and as you swing over to the central portion, the area between, there is quite a large ranch in there. We have received communication from the owner asking for deferment.....

MR. TORRES: That Mr. Seals?

CITY MANAGER HENCKEL: No, that would be the Walker ranch, the Fields ranch is up in the other area. But we felt in fairness to everyone concerned, and, after, all we must treat everyone equal, that there is no way that we could justify taking one large section out because it's a large ranch in one area without giving the same treatment to the others. Bear in mind when this is defered, this means even though they may be annexed in 1972 or 1973, this will mean 1974 to 1975 before they'd be on the tax rolls and 1975 to 1976 before they'd be paying taxes. At that time they would have some City utilities already available to them at that point. We must also bear in mind, and its argumentative, no matter which way you look at it, that, as a result of City improvements, that even though it may be unimproved property, the value of the property increases considerably. And even though the particular land owner may not desire development at that particular time the result of the City action and City expenditures has increased the value of his property so that at such time when he does decide to develop it will bring considerably more and these are things that we must take into consideration. We also take into consideration the factor that City services to these areas, at which you have in your resume, is never a break-even proposition for the City. Normally it always costs more to service a new area than you receive in revenues. And the more densely populated the area is the more true that statement is. And actually, it costs you less to service a large area with one house than it does a high density area

of the same acreage. We have given you a cost analysis which, of course, are just estimates and again subject to argument as to what our direct cost would be insofar as City services. There is no way that we can estimate to you what the cost of acquiring private utilities WCID's, etc, that are in some of the areas, in particular, in the yellow area and this is one of the reasons that we have deferred the annexation on the yellow areas because of the additional increased capital expenses to the City in acquiring private utilities and WCID's, which is not even included in our figures because it is a question of negotiation.

DR. NIELSEN: Mr. Mayor, is Mr. Morton here? I saw him earlier, I guess he's not here.

MR. TORRES: If I may, on one hand, Jerry, you think.....

DR. NIELSEN: Well, I was just going to ask, if he is here to-if he would present us his opinion of the economics, the sound planning, etc. I guess he's not here.

MAYOR McALLISTER: Don't the members of the Council feel that this is really a big subject and we ought to set a special meeting for that to hear all the details?

DR. NIELSEN: Oh, its a big subject.....

MR. TORRES: That's why we can set it today. I, of course, concur with you, Jerry, I talked to Mr. Hill, perhaps we ought to exclude some of these people with the large undeveloped tracts, but isn't there an inconsistency in your statement that the property values of these people is going to increase. What would be the compelling reason then to exclude these larger tracts. I mean, their property is going to increase, they are going to have City services adjacent to their property.

CITY MANAGER HENCKEL: Yes, of course, its a question of timing as to when the City services would be available and in the communications we've had with some of the owners, its not an objection to annexation as such, but it was an objection as to timing and as to when the services would be available. And this is why I pointed out to you that it would be X years when the City would start receiving tax revenue from the area. I think that the only justification that we would have for leaving the areas out is for the owners of the areas to give to the City without cost, the necessary easement for the utilities.

MRS. HABERMAN: Or in the alternative, Jerry, couldn't we have a review by our Legal Department regarding the possible annexation as that would be if that were true after the hearings, if that determined proper? But with a grace period for that taxing element?

CITY MANAGER HENCKEL: I don't believe that, under the law, and the City Attorney could correct me, that we would be entitled to give a grace period and I actually, Carol, the grace is, would be automatically entered into the annexation by the timing of the annexation and Jake gave you a schedule showing what date you could annex in order to get it on certain year tax rolls in order not to get involved with elections, but the deferment usually is the year and a half to two years after annexation before the person actually pays any taxes whatsoever, so there is a grace period and, of course, immediately upon annexation the City must furnish the emergency services so the owners of the properties, whether they be large or small, would be getting City services for a year and a half to two years before they pay any taxes to the City.

DR. NIELSEN: Just one thing. We would have to, in some sense, if we annexed this whole orange area provide, even though there are very few people there, we still provide some police supervision or policing and fire in the even undeveloped areas?

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CITY MANAGER HENCKEL: Why certainly, why certainly, we would have that responsibility in undeveloped areas as well as the developed areas. What we're attempting to do here is give this Council what they want. What ever your desires are as far as annexation. It is certainly the staffs recommendation that the Council adopt an annexation program. I think its very necessary and, unfortunately, it has not been done in the past and it's water under the bridge at this point but had we had a good annexation program in effect the last ten years we would not have the problems that we have today. Now bear in mind one other thing. Those areas that are not in the City, even though we are protected by the extraterritorial jurisdiction insofar as incorporation and certain other things. These people are not under any obligation as far as the building codes and etc. So this means that they can build any thing they want in these areas. Then at the time that they come in the City then we have liabilities on our hands. This is the thing we are trying to prevent and we certainly do have liabilities in the yellow area that are going to cost the tax payer a tremendous amount of money, once that they are accepted into the City, to correct deficencies as a result of development outside of the City. I certainly think its our responsibility to provide the citizens of San Antonio with a development program of good progressive orderly growth, which we do not have at the present time.

MR. TORRES: All right, so, progressive and orderly growth would, I think, tell us to proceed with a program of uniform annexation being not to create the broken boundary lines which we've had in the past, and not to create the confusion amongst our City Employees in providing the City services. I'd like to speak to the point at this time, Mr. Mayor, against making any exclusions. I certainly think that we can give to the people the extend to them every possible consideration in being reasonable in dealing with them. I do think we ought to process with the uniform program and for that reason, too, Jerry, I would question in taking, in wanting to take in a contiguous area, why are we, in that orange portion or red, why are we taking, why have we broken that up.

CITY MANAGER HENCKEL: The reason that we separated that particular area is because the area in the dark is an area that already includes pockets of the City, as you see, that have been annexed as a result of dealer development, plus the factor that this is a section of the City that is built up and includes a portion of the Austin Highway. The area in orange on the east area is the only unimproved large tract in that area, and I don't mean it's all owned by one person but there's not any development there at the present time, and this is why we deleted it because we felt, in fairness to everyone concerned, if we were going to delete unimproved large sections that we need to give the same treatment to all three areas. That's why we did that.

REV. JAMES: How does non-conforming rights fit into this whole picture? Non-conforming rights?

CITY MANAGER HENCKEL: Well, of course, again the City Attorney can correct me, but people who have developments in these areas the City cannot make retroactive any of the City laws and etc. Now the areas would come in automatically under RA which is an agricultural zoning and then each particular section would have to go through the same normal zoning procedures as any other portion of the City so it would come in and go on the rolls all under RA agricultural, and then those portions that are not being used for that purpose it would either be the prerogative of the planning commission or individuals requesting the area rezoning, but of course, non-conforming rights there would apply the same as they are in the City.....is that correct?

MR. HILL: Jerry, if you take in the large tracts of land where there is one house, they come into the City than those people paying City taxes are entitled to all City services.....

CITY MANAGER HENCKEL: This is correct.

MR. HILL: Garbage pick up, police, fire, water, sewer, this that and the other, and there is a question in my mind whether this is the thing to do at this point in time because this would run the cost of operation up considerably and where you've got 1300 or 1700 acres you've only got one residence, then you've got to go way out there for all these services.

CITY MANAGER HENCKEL: Well, this is very true, and this is why I wanted to make particular emphasis on the fact that in the proposed plan here, the alternate where we've tried to eliminate these large tracts, that we give would be in the services where our density residential is in the original orange area. Now, it's just obvious that any time you annex anywhere you are going to have this problem, because there's no way you can control it. You are always going to have problems of somebody having a larger tract of land with one resident on it with areas adjacent to him that have been built up and there is just no way you can draw the line farther than how we have been doing in the past of going in only with developer request and this is how we ended up with this hodgepodge mess that we have at the present time. So all we're asking is that.....

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MR. HILL: Starting on this plan, basically, your alternate plan to me taking everything into consideration that the cost of the City and the services that would have to be rendered to individuals that we would consider what you have here favorably and then working with the property owners for right-of-ways for sewer lines, water lines, and etc., but also communicating with them, put them on notice that as of 1972, or whatever the case might be, they are coming into the City.

CITY MANAGER HENCKEL: Yes, I think, that in fairness, everybody should know approximately when their particular section is going to be considered for annexation so that it doesn't come as a surprise to them when staff or someone makes a recommendation to the Council that they be included, and I think they could make their plans accordingly. Also, at the same time, it helps them by knowing the City is going to provide utilities at such and such a time. This will help people develop their property.

MR. TORRES: Do you have that plan of service schedule available?

CITY MANAGER HENCKEL: Yes, sir.

DR. NIELSEN: Also, what difference would there be in revenues, taxation revenues, and so on? And secondly, would you provide us a list of those major properties that would be excluded in this alternative? Would you provide that for us?

CITY MANAGER HENCKEL: Well, we can give you some of them. Of course, we have not, Ford, at this time broken down individual property owners in the area. We do know of certain areas that are large tracts. Of course, we go by aerial photographs, and we can go by the county tax records, and I'm sure there are people who live in the area who are here today, that would like to address the Council on the matter and.....

DR. NIELSEN: Mr. Morton, you were out, and I was wondering if you had anything at this time you wanted to offer in the way of the economics of the situation. Whether or not it does put a stress on the building industry or not, or just what your candid opinion was. If you would like to.....

(GARBLED CONVERSATION)

MAYOR McALLISTER: Dr. Calderon.

DR. CALDERON: This is not a public hearing, Ford. We are just having a discussion among ourselves. There will be a proper time for a public hearing or, certainly, citizens to be heard. But, it just seems to be very irregular to have a citizen enter the discussion at this point because if he can do it than I'm sure that others here, likewise, would want to be heard.....

DR. NIELSEN: And on the other hand, Mr. Mayor Pro-Tem, now is as good a time as any it seems to me.

MR. TREVINO: You got to have official public hearing so everybody knows about it.

DR. NIELSEN: It's just a discussion and what's to limit the public from the discussion?

MAYOR McALLISTER: May I ask your name, sir?

MR. MORTON: My name is Clifford Morton.

MAYOR McALLISTER: What is your profession, or what's your.....

MR. MORTON: I'm the President of the Morton-Lee Company. We are developers and home builders here in San Antonio.

MAYOR McALLISTER: You're President of what?

MR. MORTON: The Morton-Lee Company, and we are developers and builders here in San Antonio.

MAYOR McALLISTER: I'm going to thank you for coming, but we're not going to hear from you at the present time.....

(GARBLED CONVERSATION)

MR. TREVINO: Jerry, was there any type of analysis compared to the cost that we have here in the previous, in the first plan, to this second suggestion that you have now, any type of analysis of what it's going to cost?

CITY MANAGER HENCKEL: No, we'd have to bring that up to date. But, I'd like to point out, Felix, that there would be very little change in the operational cost of the City because the difference in the area on the alternate for immediate annexation would only affect approximately 500.

MR. TREVINO: 500 people?

CITY MANAGER HENCKEL: People, and very few home sites, because of the fact that they are large tracts. So operational costs wouldn't vary that much. We will reestimate the figures that we've given you if this Council desires for us to proceed on the alternate basis. This is just here for your consideration, and the reason we did it, the Mayor spoke to me yesterday about it and said it was his opinion that many of the Council members were concerned about the fact that we were taking in too large an area, too many unimproved areas, so as a result we came up with this alternate. We're here to give the Council whatever your desires are.

DR. NIELSEN: Mr. Mayor, I do not feel that this has been adequately resolved as far as whether or not a citizen.....Might I, as a member of this Council, ask that he speak? I don't see anything wrong with that, Mr. Mayor.

MAYOR McALLISTER: I'll just refer the matter to the Council. All I'm saying is that we're discussing this in a general sort of a way. This is not a public hearing. We're not ready for a public hearing at the present time.

MR. TORRES: The point is though, Mr. Mayor, if there is something that we can learn from an individual present in the Council Chamber, and if there is something that we could learn in the way of ideas that would benefit us in making our decision from the residents who live in the area, well, I say let's have it. I think that if we're going to want to go into this intelligently, and I'm sure we all do, that we should be willing to hear from anyone and everyone who has something constructive to offer on the subject. I'd like to hear from Mr. Morton myself.

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MAYOR McALLISTER: I think that's entirely right and in order at the proper time. Then we ought to give notice to all the citizens who are interested.

DR. NIELSEN: We will do that, Mr. Mayor. We will do that.

MAYOR McALLISTER: All right.

DR. NIELSEN: At this particular time.....I know we have a great many other items.

DR. CALDERON: Let me say that.....

DR. NIELSEN: I don't want to.....

MAYOR McALLISTER: You want to wait until we get through with the other items? We can be here with you all day.

DR. NIELSEN: Mr. Mayor, I'm just reminding you that these are public matters of great importance - extreme importance, and for so long they've usually been considered behind the scenes and then somebody comes out in fashion and makes a public vote of it. But, that's not the way that these kinds of things should be handled in my opinion. I'm asking again that Mr. Morton, if he chooses, be allowed to speak. If he chooses not to, that's his prerogative.

DR. CALDERON: Mr. Mayor, let me say this.....In 35 minutes we'll have Citizens to be Heard. And, certainly, I would certainly and totally agreeable that we would have him or anyone for that matter express themselves at that time. At 11 o'clock, then is the proper time, Citizens to be Heard and certainly, I would be agreeable to have him address the Council at that time. I would, Mr. Mayor, like to make a statement or if Dr. Nielsen doesn't mind, I would like to enter the discussion as well. For the past half hour, I have been trying to do it, and I'm glad that I now have the opportunity.

DR. NIELSEN: You operate under a severe handicap, Dr. Calderon.

DR. CALDERON: Let me say that Mr. Henckel's revised annexation plan involving the orange or the red area is certainly an improvement, Jerry. It is certainly more acceptable to me than your original plan. I feel the only justification for annexation is to insure orderly development and if there is to be no development or no anticipated development, then I really question the propriety of annexation. So, if we undertake this issue of trying to impose proper restrictions insofar as zoning and building codes and other relevant controls in order to insure an orderly development of all areas surrounding the City of San Antonio. Your revised plan, I think, satisfies, at least, what I consider to be legitimate reasons for annexation. So, insofar, as that portion I certainly would concur. Now, I have a question to ask at this time. Would the entire red area be annexed at one time?

CITY MANAGER HENCKEL: The recommendation would be that the dark red area be annexed at one time and that if commenced, if you're going to annex at all, no later than the first part of January this year. Otherwise, I would recommend that you defer it for one full year, because there's no way that you could annex it and get it on the tax rolls two years hence.

I also want to point out that our justification for annexation of this area is approximately \$5 million in capital improvements that the City has committed to the University which is a must that will

go into this area. I think in fairness to the taxpayers of San Antonio who are paying the bill on the capital improvements that people who are going to benefit by them must, somewhere down the road, participate in financing them.

DR. CALDERON: I have another question, Jerry. Okay, now with regards to the yellow and green areas, is it your plan for some future time that we annex the green area - to annex the entire area colored green, or to annex in segments?

CITY MANAGER HENCKEL: No, sir, I would recommend, and of course, this is a big X factor in the green area, depending on how development occurs, but I would recommend that we annex the green area in portions. This would be my thinking today, rather than annex the whole undeveloped area. It would follow the same thinking as the alternate plan.

DR. CALDERON: Good, because I was getting ready to make a similar suggestion that we confine ourselves to annexing only, in order to be ahead of development, always ahead of development to be able to insure orderly development.

CITY MANAGER HENCKEL: Let me point out here, that one of the deficiencies that we've had, staff wise, is that we have not had a plan to follow and like any other plan whether you call it a master plan or a master plan for annexation, that every plan should be flexible enough, which we think this one is, so that it is reviewed annually and changes made in it that are necessitated by development and occurrences in the area. So, I think this is a must that we couldn't arbitrarily say that we are going to do five years from now annex certain properties because five years from now, there could be certain economic changes, as well as others that would necessitate a change in our thinking.

MR. HILL: Well, if you go with the alternate plan as prepared here then naturally, this would change your yellow area and then your green.

CITY MANAGER HENCKEL: Yes, sir, it certainly would.

MR. HILL: It would have a domino effect?

CITY MANAGER HENCKEL: And every year, I think, it would be our responsibility then, once the Council adopts a long range development plan that would be the responsibility of the staff annually to make recommendations to you insofar as projected changes down the line.

DR. CALDERON: Are you asking then for two things? One, approval of immediate annexation of the red area as well as total approval of the entire annexation?

CITY MANAGER HENCKEL: The overall plan as a general plan subject to changes in review by the Council at any time they deem necessary.

MR. HILL: Or the basic objective of squaring off the City limits of San Antonio?

CITY MANAGER HENCKEL: Yes, sir.

REV. JAMES: That's good enough.

DR. CALDERON: Which, of course, this plan in my opinion does not accomplish that. Because, for example, let us take the yellow area that is earmarked for annexation in 1973, three years hence. Here and now I can spot on the map definite irregularities in our City limits. Just below Windcrest up there, you can see a little area that is within the corporate limits and is just sitting there like a little island. Now, if we approve this plan, that area would continue to be curvy for the next three years and perhaps get worse for that matter. There is another area just south of Leon Valley, within the yellow area which likewise is a very irregular line. So, I still feel that we're not addressing ourselves to a plan of orderly annexation in order to keep abreast of growth as well as anticipated growth.

CITY MANAGER HENCKEL: You're correct, Dr. Calderon, and of course, the fact that we've had no plan at all has resulted in the various things that you are mentioning, and this is what we're trying to prevent in the future. One of the basic reasons for deferment is the..... We're in this trap. The longer we wait on some of the developed areas the less cost we're going to have when we have to buy out WCID'S, etc., because of bonded indebtedness against them which we naturally have to assume. Also, just looking at it from a (garbled) point of view from staff, we would like to annex only the areas that would produce revenue for us where we could actually make money and following that line of thinking, we'd deannex areas in the City that are costly to us, but unfortunately, we've got to take the good with the bad when we go on a program.

MR. TREVINO: That includes Southside too. We're not including any, and I think we should. This is my philosophy.

CITY MANAGER HENCKEL: Very, very true, Felix, very true.

DR. CALDERON: That, I believe, our planning staff should be either by proper ordinance or by proper directive be given the authority to, as requests from developers come in for annexation, that they be given the prerogative to come to the planning department to recommend a larger area if necessary in order to again try to have some semblance of an orderly line. It seems to me the staff can be given this authority to come back if we have annexation proceedings about every other week. It would seem logical that such a time as these requests come in that the staff have the prerogative, and be given the discretion to come back with specific recommendation involving the area in question. We can, on a continuing basis, be able to again in an orderly fashion and be able to grow in a safe way.

DR. NIELSEN: Mr. Mayor, in light of the seriousness of this, I would move at this time that we allow Mr. Morton and any others who choose to speak on this matter to do so. I know that they'll be brief, and I think it's important and serious enough to do so, and I move at this time.

MR. TORRES: I concur and second the motion.

MAYOR McALLISTER: Okay, a motion has been made and seconded that Mr. Morton and any others who care to speak on the question of annexation be given the privilege to do so at this time, leaving aside all the other items that are on our agenda.

DR. NIELSEN: We're not going to leave them aside, Mr. Mayor.

MAYOR McALLISTER: Call for a vote.

AYES: Torres and Nielsen.

NAYS: Haberman, Trevino, Hill, McAllister, Calderon, Burke, James.

CLERK: The motion failed, Your Honor.

MR. TORRES: I may not have caught that, that wasn't along political lines, I wouldn't say, was it?

DR. NIELSEN: You may be heard at 11:30.

MR. TORRES: Just a comment I'd like to make on this, Mayor, is, of course, I concur with Mr. Henckel's recommendations that we ought to proceed with orderly development, I know that we have all been concerned with the particular problem. I do think that the Council ought to, and I think the Mayor would agree with me, that we ought to sit down during a prolonged session possibly a "B" session, if necessary, to discuss some alternatives to this. Jerry, I do not particularly like the fact that we are trying to avoid the problem of pockets of annexation or spot annexation if you want to call it that, but we don't - we have too many areas in here that are not contiguous one to the other. If we're going to proceed with orderly and progressive growth that..... and we want to take it in three different phases then we ought to break this down into three contiguous segments. This is one example, Mayor, the UTSA site. I think it would fall closer in to lying with the - has more of a common interest, say, with the area south of there going down to Culebra, that is, from I. H. 10 to Culebra rather than having that part of it come in at the same time as this other part in the Northeast. I think this would go along with what you're saying, Herb, at least in part, anyway.

DR. CALDERON: Well, in part, Pete, I still don't concur with the concept of taking big bites, really, of just undeveloped area. I think that growth needs to start from a center point and work out in an orderly, progressive fashion.

DR. NIELSEN: But you say, on the other hand to overcome those last ten or fifteen years of little or no planning and activity in orderly growth we may have to take some large bites someplace.

MR. TORRES: And you say that we ought to move ahead of development and yet in moving ahead of development you're taking the inconsistent position that you don't want to take in undeveloped areas which I think is a very inconsistent position.

DR. CALDERON: No, no, Pete, what I'm saying is to annex ahead of development which obviously means annexed undeveloped area. In other words, study should indicate and should justify annexation of undeveloped area based on growth potential based on the thinking of the building industry in the area in other words, I'm concerned that our City limits line always lie ahead of development. I don't think we should arbitrarily and for the sake of our convenience, in other words, we can say, well, gentlemen, let's draw a line, you know, 20 miles out and so we won't have to worry and be looking at this every

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year. I know this seems to be the easier approach of conveniently drawing a line way out there, you know, but I don't think it is fair and proper to do that.....I think that we need to conscientiously determine an ongoing basis the proper City limits.

MR. TORRES: There are a number of cities, Mr. Mayor, that the last ten years have doubled and greatly expanded the areas of the metropolitan area by going into a concentrated or concerted program of annexation. In looking over some of the materials on the subject, I notice where the city of Phoenix has made some marvelous achievements not only in expanding the existing area each year - taking in a big area each year - but in being ready to provide the municipal services and in seeking to mollify whatever citizen discontent there would otherwise be. Now, I noticed in reading through their program of annexation, Jerry, that one of the things that is done in Phoenix is to set up a plan of service schedule and to - although we have a Council meeting in the morning where we will have by law a public hearing - I should think that it would be an excellent gesture on the part of this Council to go to the area that we are annexing and to have an evening meeting - depending on what time schedule we develop - to have an evening meeting as soon as we determine what our schedule for annexation is going to be. This would be a suggestion I would make to the Council at this time - is that we seek to find a convenient forum in the Northwest area to be annexed and that we go to the citizens in that area and hold a public hearing and publicize it and send them notices in the mail in advance advising them of trying to answer questions prior to annexation - questions that residents in the area might raise.

DR. NIELSEN: That would be possible would it not, Mr. Henckel?

MAYOR McALLISTER: The City Manager can look into that and advise us.

CITY MANAGER HENCKEL: Yes, sir, whatever the Council desires.

DR. CALDERON: Of course, the only question that I have on the point is certainly that there are citizens of San Antonio that likewise are interested on the same subject. In other words, there are two sides of a coin here, and some suitable location amenable to both present citizens as well as the prospective ones.

CITY MANAGER HENCKEL: I think we need to give the planning staff a little hand here. They worked late last night getting this ready, and thank you very much J. H.