



CITY OF FREDERICKSBURG

MINUTES OF CITY COUNCIL REGULAR MEETING MARCH 7, 2022

The City of Fredericksburg City Council held their regular session on Monday, March 7, 2022 at 6 p.m. This meeting was held in person at the Law Enforcement Center and live streamed on the Fredericksburg YouTube Channel.

Members Present:

Mayor Charlie Kiehne
Councilmember Jerry Luckenbach
Councilmember Tom Musselman
Councilmember Bobby Watson
Councilmember Kathy O'Neill

Members Absent:

No one was absent.

City Staff Present:

Kent Myers, City Manager
Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities
Daniel Jones, City Attorney
Steve Wetz, Police Chief
Brian Vorauer, Patrol Lieutenant
Eric Whiting, Information Technology Director
Lea Feuge, Public Information Officer
Jason Lutz, Development Services Director
Leslie Ball- Embrey, Administrative Assistant
Shelley Goodwin, City Secretary

1. CALL TO ORDER

Mayor Kiehne called the regular meeting of the Fredericksburg City Council to order at 6:00 p.m. on Monday, March 7, 2022.

2. INVOCATION

Bill Wilder, FISD Head Coach, resident, led the Invocation.

3. PLEDGE OF ALLEGIANCE

4. EMPLOYEE RECOGNITIONS

Kent Myers, City Manager, stated he had received the following recognitions:

- Mickey Moellering, Animal Control, a letter thanking him for going above and beyond with a goose in the park
- Karen Hilge, Permit Clerk, an email thanking her for her customer service and professionalism

5. PUBLIC COMMENTS ON ITEMS ON THE AGENDA

No one wished to speak.

6. CONSENT

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THESE ITEMS WILL BE HELD UNLESS PULLED AT THE REQUEST OF A MEMBER OF CITY COUNCIL.

A. Consider approval of City Council Minutes:

- i. January 12, 2022 Special Meeting
- ii. February 21, 2022 Regular Meeting

B. Consider approval of the street closures for

- i. 175th Anniversary Parade on Saturday, May 7, 2022, at 10 a.m. on Main Street,
- ii. Fourth of July Parade on Monday, July 4, 2022, at 10 a.m. on Main Street and consider approval of 2022 liability insurance,
- iii. Gillespie County Fair Parade on Friday, August 26, 2022, at 10 a.m. on Main Street, and;
- iv. Light the Night Christmas Parade on Friday, December 2, 2022, at 6:30 p.m. on Main Street with an inclement weather day of Friday, December 9, 2022.

C. Consider approval of the removal of the requirement for special events to submit a Written Health & Safety Plan through the special event application process, effective immediately.

D. Consider approval of a settlement with Teva Subdivision Release Form, to resolve opioid related claims against Teva Pharmaceuticals

The City Council pulled Agenda Item 6. C. to be considered separately.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve Consent Agenda item 6. C. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

C. Consider approval of the removal of the requirement for special events to submit a Written Health & Safety Plan through the special event application process, effective immediately.

Jennifer Krupa, Special Events Coordinator, stated that with the Emergency Declaration's removal, the need for a safety plan is no longer needed and can be removed.

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember Musselman, to approve Consent Agenda items 6. A. B. and D. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

7. PUBLIC HEARINGS

A. Consider holding a public hearing to receive comments for or against the amendments to the City's Zoning Code regarding Short-Term Rentals, development standards, parking requirements, Land Use Charts, definitions, impervious cover and other regulations (Z-2120)

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember Watson, to go out of Regular Session into a public hearing at 6:25 p.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Bruce Nichols, City resident, spoke in support of the proposed Short-Term Ordinance and issues he has experienced with STRs.

David Agerton, STR owner, spoke regarding the City's need to focus on senior services and other needs to improve the community, not STRs.

Milton Buckley, City resident, spoke regarding the Visioning documents and encouraged the City Council not to pass the Ordinance because it is illegal.

Randy Briley, City resident, spoke regarding the history of the Visioning document, the mission statement, and the history of the STR.

Leslie Spraggins, City resident, spoke regarding the proposed Ordinance being illegal.

Tara Huchinson, City resident, spoke regarding the need to slow down the process and to make sure the City Council is making changes for the right reasons.

Carol Hammersen, City resident, read a statement from Valdemar Putin and encouraged the City Council to adopt a compromise Ordinance.

Jerry Hemphill, City resident, spoke regarding the lack of facts regarding the changes and encouraged the City Council to slow down the process.

Denise Morris, City resident, spoke regarding her experience working with STRs.

Bill Synder, City resident, spoke regarding the residents who voiced their concerns and feels the changes should benefit residents.

Mike Mahoney, City resident, spoke and used a prop to demonstrate how the changes to the proposed Ordinance would affect the neighborhoods.

Louis Miller, City resident, encouraged the City Council to vote down version 5 of the proposed Ordinance and regroup.

Matt Durette, City resident, stated he feels the process is moving too fast and not considering impact to the businesses and owners.

Jeff Morin, City resident, spoke regarding the regulations and the loss of property rights.

Sheila Bibler, City resident, spoke regarding tourism being the only industry. She spoke about affordable housing and should not be blamed on STR.

Emaly Baehr, City resident, read a letter on behalf of the Hill Country Board of Realtors, who requested that this item be tabled. She provided copies of the letter.

Jason Kemp, owner of a STR, encouraged the City Council to take a reasonable approach and to table Agenda Items 8A and 8B.

Belinda McDonnell, City resident, spoke regarding the process of the proposed Ordinance and requested the City Council table Agenda Items 8 A and 8 B.

Michael Manning, County resident, spoke regarding the company he works for and his work with STRs.

Emily Read, Cozy Rentals, spoke regarding how affordable housing issues are not related to STRs. She provided the history of how they do business and the needed integrity.

Maggie Payne, City resident, provided the history of issues with STR around her.

Carmen Armstrong, City resident, spoke regarding rules and regulations that are not being enforced.

Susan Ottmers, City resident, stated the City has promoted tourism successfully and stated that she supports STRs but no party houses.

Decny Haertlein, City resident, spoke regarding the burden should be on the STR owners and how STRs should not be in the R1 neighborhood.

Catalina Siller, Heaven Host, spoke regarding their treatment of owners and renters. She also reviewed the benefits STRs bring to the City and other businesses.

Christy Lockhart declined to comment.

Bradley Finley declined to comment.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to go out of public hearing back into Regular Session 8:10 p.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

8. ORDINANCES AND RESOLUTIONS

A. Consider the approval of Ordinance 2022-13 amendments to the City's Zoning Code regarding Short-Term Rentals, development standards, parking requirements, Land Use Charts, definitions, impervious cover and other regulations (Z-2120) (City Council may waive second reading)

Jason Lutz, Director of Development Services, provided the history and the goals for the proposed Ordinance. He also clarified the Planning and Zoning Commission role within the proposed Ordinance. He reviewed the amendments the Planning and Zoning Commission approved. He also stated he has a property that may be eligible for an STR, and has filed an Affidavit of Conflict of Interest, and he will not take part in the discussion on those items.

Daniel Jones, City Attorney, reviewed the process used to draft the proposed Ordinance and the timeline for adopting the Ordinance within 20 days.

Motion: A motion was made by Councilmember O'Neill, seconded by Councilmember Watson, to approve Section 2.100 as presented and including Planning and Zoning Commission's recommended changes. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

The City Council discussed 50% or more of the properties on one side of the street.

Motion: A motion was made by Councilmember O'Neill, seconded by Councilmember Luckenbach, to approve Section 3.100 under the CUP process criteria for applying as "if 2 or more interior property lines or one corner property line abutting an unoccupied STR and since STR and B&B are not included in the calculation then delete the percentage. The City Council voted three

(3) for, and two (2) opposed (Mayor Kiehne and Councilmember Musselman). The motion carried.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Luckenbach, to approve Section 3.110 as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Luckenbach, to approve Section 3.120 as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember O'Neill, to approve Section 3.200 as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember O'Neill, seconded by Councilmember Watson, to approve Section 3.205 as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to approve Section 3.210 as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember O'Neill, to approve Section 3.220 as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve Section 3.500, as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to approve Section 3.510, as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember Watson, to approve Section 3.800, as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember O'Neill, to approve Section 3.810, as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember Watson, to delete Section 4.400, as presented. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to delete all of Section 5.400 except the first paragraph. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember O’Neill, seconded by Councilmember Musselman, to have staff rewrite Section 5.401 and bring back for the City Council to review. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to approve Section 5.460 in black ink. The City Council voted four (4) for, and one (1) opposed (Councilmember O’Neill). The motion carried unanimously.

Motion: A motion was made by Councilmember O’Neill, seconded by Councilmember Musselman, to approve Section 6.110 and add “not exceeding 365 days”. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Luckenbach, to approve Section 7.320. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve Section 7.320. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve Section 7.330. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve Section 7.340. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve Section 7.710. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Watson, to approve Section 7.820, 7.825, 7.860, 7.940, and 8.220. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

B. Consider the approval of Ordinance 2022-14 amending Appendix A – Fee Schedule, of the Code of Ordinances, to amend the Permit Fees assessed for City issued Short Term Rental Permits; and providing for an effective date (City Council may waive second reading)

Kent Myers, City Manager, reviewed the reasons for changing fees; this fee change will allow the City to recover their expenses related to STRs. He stated that staff recommends going with the tiered option #1 based upon the bedroom units.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Luckenbach, to approve Ordinance 2022-14 amending Appendix A – Fee Schedule, of the Code of Ordinances, to amend the Permit Fees assessed for City issued Short Term Rental Permits; and providing for an effective date and waive the second reading. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

C. Consider the approval of Ordinance 2022-15 amending Article 24.000-Recreational Fees, of Appendix A – Fee Schedule, of the Code of Ordinances, to establish pricing

for occupancy of campsites at Lady Bird Johnson Municipal Park during the 2024 Eclipse Event; and requiring a four (4) night minimum occupancy for said campsites during the 2024 Eclipse Event; and providing for an effective date (City Council may waive second reading)

Jennifer Krupa, Special Event Coordinator, provided the planning history of the proposed event. She stated staff is requesting an increase in fees and regulations related to the RV Park and tent camping during the 2024 Eclipse Event. She updated the City Council on the process they are using now and that they need to recoup their cost.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Luckenbach, to approve Ordinance 2022-15 amending Article 24.000-Recreational Fees, of Appendix A – Fee Schedule, of the Code of Ordinances, to establish pricing for occupancy of campsites at Lady Bird Johnson Municipal Park during the 2024 Eclipse Event; and requiring a four (4) night minimum occupancy for said campsites during the 2024 Eclipse Event; and providing for an effective date and waive the second reading. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

D. Consider the approval of Resolution 2022-05R designating property located at 208 Woodcrest, in the City of Fredericksburg, as a Local Historic Landmark

Anna Hudson, Historic Preservation Officer, provided a history of the property and the rising interest in mid-century architecture. She stated both the owner and Historic Review Board support the designation.

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember O’Neill, to approve Resolution 2022-05R designating property located at 208 Woodcrest, in the City of Fredericksburg, as a Local Historic Landmark. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

9. OTHER ACTION ITEMS AND UPDATES

A. Consider an update from on Fort Martin Scott and the Former Texas Rangers Heritage Center Museum.

This item was removed from the agenda.

10. PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA.

Jeannette Hormuth, City residents, spoke regarding turning back the American Rescue Funds.

MaryLee Marschall, City residents, read a portion of a book written by Robert F. Kennedy Jr. named The Real Anthony Fauci.

Tom Marschall, City residents, spoke regarding the planning of the 2024 Eclipse.

11. COUNCIL COMMENTS

Councilmember Luckenbach reported on the Gillespie County Commissioner’s Court Meeting and the approval of 3 electric car charging stations.

Councilmember Watson reported that the Gillespie County Airport business is picking back up

Councilmember Musselman congratulated Daniel Jones on being elected as County Judge. He also spoke regarding respect when people disagree.

Councilmember O’Neill congratulations to Daniel Jones as well.

Mayor Kiehne thanked the Planning and Zoning Commission for their work on the STR proposed ordinance and congratulated the Chamber of Commerce for a great Annual Banquet. He also encouraged men to enter into the 175th Anniversary beard contest.

12. ITEMS FOR FUTURE AGENDAS

Kent Myers, City Manager, reviewed the Future Agenda Items.

13. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code Section 551.071 (Consultation with Attorney):

A. Consider and discuss City of Fredericksburg, Texas vs. Arch Ray, LLC, and Fiesta on the River RV Resort, LLC, pending in the 216th District Court [551.071]

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember Watson, to go out of the Regular Meeting and into Executive Session at 11:28p.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

Motion: A motion was made by Councilmember Watson, seconded by Mayor Kiehne, to go out of the Executive Session and into the Regular Meeting at 11:54p.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

14. BUSINESS ITEM

No action was taken.

15. ADJOURN

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to adjourn the Monday, March 7, 2022, City Council Regular Meeting at 11:55 p.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.



Shelley Goodwin, TRMC
City Secretary



Charlie Kiehne
Mayor

AFFIDAVIT OF CONFLICT OF INTEREST

I, Jason Lutz, as a member of the City of Fredericksburg City Staff make this affidavit and hereby, on oath, state the following: I, and/or a person or persons related to me, have a substantial interest in a business entity or real property that would be peculiarly affected by a vote or decision of the above body, as those terms are defined in Chapter 171, *Texas Local Government Code*.

Date of Meeting: 3/7/22 Agenda Item Number: 7A & 8A

The business entity or real property is: _____

I have a substantial interest in this business entity or real property for the following reasons: (Check all that are applicable.)

- I own 10% or more of the voting stock or shares of the business entity;
- I own either 10% or more or \$5,000 or more of the fair market value of the business entity;
- Funds received by me from the business entity exceed 10% of my gross income for the previous year;
- Real property is involved and (I/we) have an equitable or legal ownership with a fair market value of \$2,500 or more;
- A relative of mine has a substantial interest in the business entity or property that would be affected by a decision of the public body of which I am a member.
- Other: Own land that may be eligible for an STR

Upon the filing of this affidavit with the City Secretary, I affirm that I will abstain from voting on any decision involving this business entity or real property and from any further participation on this matter whatsoever.

Signed this 7th day of March, 2022.

[Signature]
Signature of Official

Development Services Director
Title

BEFORE ME, the undersigned authority, on this day personally appeared _____, who after being by me duly sworn and on his oath deposed and says that he/she has ready the above and foregoing and that every statement contained therein is with his/her personal knowledge and is true and correct.

SWORN TO AND SUBSCRIBED BEFORE ME on this 7 day of March, 2022

[Signature]
Notary Public, State of Texas

