

**NOTICE IS HEREBY GIVEN THAT
THE CITY COUNCIL OF THE CITY OF LAKEWAY, TRAVIS COUNTY, TEXAS
will meet in Regular Session on Monday, December 19, 2016 at 6:30 p.m.
Lakeway City Hall, 1102 Lohmans Crossing Road, Lakeway, Texas**

AGENDA

1. **Establish Quorum and Call to Order.**
2. **Pledge of Allegiance.**
3. **Financial Report.**
 - Staff report by David P. DeOme, City Treasurer.
4. **Code Amendments: Short-Term Rental Use.** Consider an amendment to Section 30.05.004.5 (“Criteria applicable to short-term rental use permits/licenses”) of Chapter 30 (Zoning”), Lakeway Municipal Code.
 - Staff report by Deputy City Manager Chessie Zimmerman.
 - Citizen participation.
 - Council discussion/action.
5. **Citizens Participation.**

CONSENT AGENDA: All items may be approved by one Council vote. Members of the Council may pull items from the consent agenda for discussion.

6. **Approve Minutes:** Regular Council Meeting of November 21, 2016.
7. **Approve Resolution:** Appointment of Wayne Seime to serve on Deer Management Committee.
8. **Approve Resolution:** A resolution supporting Citizens for Scenic Highways beautification project, Central Texas – Gateway to Hill Country Burnet County – Texas Highway 281 and 71 Intersection.

END CONSENT AGENDA

9. **Adjourn.**

Signed this the _____ day of _____, 2016.

Joe D. Bain, Jr., Mayor

All items may be subject to action by City Council, pursuant to Ordinance No. 2001-10-29-1, Article VI.

The City Council may adjourn into Executive Session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by the Texas Government Code including, but not limited to, Sections: 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), 418.183 (Deliberations about Homeland Security Issues) and as authorized by the Texas Tax Code including, but not limited to, Section 321.3022 (Sales Tax Information).

Certification: I certify that the above notice of meeting was posted on the City of Lakeway Official Community Bulletin Board on the ____ day of _____ at ____ a.m./ p.m. Council approved agendas and action minutes are available on line at <http://www.lakeway-tx.gov/>. The City of Lakeway Council meetings are available to all persons regardless of ability. If you require special assistance, please contact Jo Ann Touchstone, City Secretary, at 512-314-7506 at least 48 hours in advance of the meeting.

Jo Ann Touchstone, City Secretary

Item # 3

[Return to Agenda](#)



November 2016 Financial Report

David P. DeOme
City of Lakeway

Treasurer

BUDGET AND ACTUALS COMPARISONS

FY 16-17 Budget vs Actual		Current & Prior Year Actuals Comparison	
<u>REVENUE</u>			
Budget	\$1,529,435	Actual FY17	\$1,597,068
Actual	<u>\$1,597,068</u>	Actual FY16	<u>\$1,075,435</u>
Variance	\$67,633	Variance	\$521,633
<u>EXPENSES</u>			
Budget	\$1,701,426	Actual FY17	\$1,629,818
Actual	<u>\$1,629,818</u>	Actual FY16	<u>\$1,668,633</u>
Variance	\$71,608	Variance	\$38,815
Total Variance	\$139,241	Total Variance	\$560,448

- Sales tax remains strong with year to date actuals ahead of prior year by 7%.
- In FY16 (prior year), no ad valorem tax was collected due to late appraisals from TCAD.

Item # 4

[Return to Agenda](#)

Code Amendment: Short-Term Rental Use**Recommendation**

Staff recommends approval of a proposed amendment to Section 30.05.004.5 (Criteria applicable to short-term rental use permits) of the Lakeway Municipal Code. During their regular meeting on December 7, ZAPCO voted to recommend approval as well (7-0).

Background Information

The city instituted the special use permit requirement for short-term rental use in December 2015. At that time, there were 69 active license holders. Ten of those property owners either sold their properties, which voided the licenses, or opted not to seek compliance and voluntarily discontinued the use. Of the remaining 59 license holders, 23 were unwilling to complete the compliance process. There are currently 36 active permits in good standing, including 14 World of Tennis condos.

The proposed amendment includes three changes to the existing regulation.

1. The amendment creates an exemption from the special use permit requirement for the World of Tennis condominiums. This development is unique in that it was built as a second home/vacation rental project. Short-term rental use has been ongoing in this project for longer than 30 years. Because of these characteristics and the active and involved management of short-term rental use, staff recommends these condominiums be exempted from the permit requirement.
2. The amendment limits the maximum number of permits to twenty-five (25). If the WOT condos are exempted, there are 22 active permits in good standing. Two other property owners have contacted staff recently requesting meetings to discuss permit applications. Setting the limit for permits at 25 allows those property owners to continue the process, but further minimizes the negative impact of this commercial use on Lakeway residents.
3. The amendment prohibits the issuance of multiple permits to a single property owner. Currently, there is only one property owner with multiple permits. Staff is concerned about the possibility of corporate entities purchasing multiple properties for the sole purpose of engaging in commercial activity within residentially zoned areas. Limiting property owners to one permit decreases the likelihood of this occurring.

Reference

Section 30.05.004.5, Lakeway Municipal Code

Attachment

Proposed amendment

**CITY OF LAKEWAY
ORDINANCE NO. 2016-12-19-XX**

ZONING CODE AMENDMENT: SHORT-TERM RENTAL USE

AN ORDINANCE AMENDING SECTION 30.05.004.5 “CRITERIA APPLICABLE TO SHORT-TERM RENTAL USE PERMITS” OF CHAPTER 30 “ZONING” OF THE CITY OF LAKEWAY CODE OF ORDINANCES REGARDING THE TOTAL NUMBER OF PERMITS, THE ISSUANCE OF MULTIPLE PERMITS TO A SINGLE PROPERTY OWNER, AND THE APPLICABILITY OF THE CRITERIA TO A CERTAIN AREA ZONED R-5 CONDOMINIUM; AND PROVIDING FOR FINDINGS OF FACT; SEVERABILITY; REPEALER; EFFECTIVE DATE; AND PROPER NOTICE AND MEETING.

WHEREAS, the City Council of the City of Lakeway, Travis County, Texas seeks to provide for the public health, safety and welfare of its citizens; and

WHEREAS, the City Council seeks to promote orderly and safe use of property within the city; and

WHEREAS, the City Council desires to protect and preserve the dignity and sanctity low-density, single-family residential neighborhoods, which are the city’s primary land use category; and

WHEREAS, the Zoning and Planning Commission held discussion and invited public comment on the proposed amendments in a public hearing held December 7, 2016; and

WHEREAS, the Zoning and Planning Commission found that it is in the best interests of the citizens of Lakeway, Texas, to recommend adoption of the proposed amendments; and

WHEREAS, the City Council held discussion and invited public comment on the proposed amendments in a public hearing held December 19, 2016; and

WHEREAS, the City Council finds that it is in the best interests of the citizens of Lakeway, Texas, to adopt the proposed amendment;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKEWAY, TEXAS:

Article 1. Findings of Fact

All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council and are hereby approved and incorporated into the body of this ordinance as if copied in their entirety.

Article 2. General

Section 2.01 Authority

This ordinance is adopted under the authority of the Constitution and laws of the State of Texas, particularly including Chapter 211 of the Texas Local Government Code.

Section 2.02 Purpose

The purpose of this ordinance is to amend existing regulations governing short-term rental use. The provisions of this ordinance are deemed to be the minimal necessary regulations for the purpose of regulating short-term rental use within the City's corporate limits, and are designed to ensure that properties used for short-term rental use, as defined in Chapter 22.02 of the Lakeway Code of Ordinances, are occupied in a safe and healthful manner and do not encroach on the rights of other neighboring property owners to peacefully enjoy their property. This ordinance applies to all existing short-term rental use within the corporate limits of the City of Lakeway, Texas.

Article 3. Revisions

Section 30.05.004.5, Criteria applicable to short-term rental use permits, shall be amended in part in accordance with Exhibit A.

Article 4. Severability

Should any sentence, paragraph, subdivision, clause, phrase, or section of this ordinance be adjusted or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this ordinance in whole or any part or provision thereof, other than the part so declared to be invalid, illegal or unconstitutional.

Article 5. Repealer

The provisions of this ordinance shall be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent that such inconsistency is apparent. This ordinance shall not be construed to require or allow any act which is prohibited by any other ordinance.

Article 6. Effective Date

This ordinance shall take effect immediately from and after its passage and publication as may be required by law.

Article 7. Proper Notice and Meeting

It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

ADOPTED, PASSED AND APPROVED this 19th day of December, 2016.

CITY OF LAKEWAY:

Joe D. Bain, Jr., Mayor

ATTEST:

Jo Ann Touchstone, City Secretary

Sec. 30.05.004.5 Criteria applicable to short-term rental use permits/licenses

Existing and proposed short-term rental use must comply with all the following specific criteria and conditions as well as the general criteria in section 30.05.003.:

(1) Exception: The owners of condominium units in the Lakeway World of Tennis Condominium Association are exempt from the requirement of obtaining a special use permit for short-term rental use.

~~(2)~~ The applicant shall provide a copy of the filed Comptroller of Public Accounts' Form AP-102 (hotel occupancy tax questionnaire);

~~(3)~~ The applicant shall provide proof of insurance with the use "short-term rental" clearly identified;

~~(4)~~ The total number of short-term rental use permits shall not exceed **twenty-five (25)**~~the number of short term rental licenses in existence on December 31, 2015;~~

~~(5)~~ ~~As of the effective date of this section, n~~**No** new initial permit shall be issued for residential property located within one thousand (1,000) feet of another residential property that has a current short-term rental use permit;

(A) An initial permit for residential property governed by a condominium association in accordance with title 7 "Condominiums" of the Texas Property Code shall be exempted from the 1,000 foot distance requirement.

~~(6)~~ No permit shall be issued for residential property subject to deed restrictions or rules promulgated by a home or property owners' association prohibiting short-term rental use.

~~(7)~~ Initial permits shall be issued for a one (1) year period and shall be renewable for a two (2) year period, provided a complete application for renewal is filed with the city no more than ninety (90) days and no less than sixty (60) days prior to the expiration date of the initial permit;

~~(8)~~ No permit application shall be accepted for filing, processed, or approved during a period of one (1) year following the denial of an application or revocation of a permit for any residential property;

(9) No additional permit application for short-term rental use shall be accepted for filing from, processed, or approved for an owner of real property with an existing permit for short-term rental use;

~~(10)~~ A permit is not transferable and shall be void upon transfer or conveyance of the property;

Exhibit A to Ordinance No. 2016-12-19-XX

(~~11~~9) All structures housing short-term rental use shall comply with this article and all other applicable regulations of this code, and compliance shall be verified by means of an on-site inspection by city staff;

(~~12~~40) Parking by renters or their guests shall be limited to the right-of-way bordering the rental property and to the garage and driveway on the rental property, and shall not encroach upon or obstruct ingress and egress to the neighboring properties;

(~~13~~44) Advertisement of the short-term rental use shall adhere to “truth in advertising” principles and shall clearly state maximum occupancies;

(~~14~~42) Advertisement of the short-term rental use shall not be displayed on the premises of the property in any manner that is visible from the exterior of the house;

(~~15~~43) Short-term rental use permit holders shall comply with and ensure their tenants comply with all applicable city ordinances and state laws regulating litter, waste disposal, noise, nuisance, and other regulations for the protection of the health, safety, and welfare of the public;

(~~16~~44) The short-term rental use shall not produce nuisances as defined in [section 22.02.001](#) or elsewhere in this code including but not limited to noise, damage, odors, inconsiderate or offensive behavior, late night parties, illegal drug or alcohol use, pets, public urination, public exposure, disturbance of the peace, disorderly conduct, or any other conduct that may constitute a public or private nuisance;

(~~17~~45) Rental occupancy shall be limited to two (2) adults per bedroom;

(~~18~~46) Minimum rental period shall be two (2) consecutive nights;

(~~19~~47) Short-term rental use permit holders shall file state hotel occupancy tax reports in a timely manner, shall maintain accurate logs including dates and times of rentals, number of guests, number of automobiles present, and complaints received, and shall forward logs to the city-designated official on a monthly basis;

(~~20~~48) The city manager or deputy city manager may suspend or revoke any permit for one or more of the following reasons:

- (A) A substantial violation of any of the applicable terms, conditions, or limitations;
- (B) A substantial violation of any applicable ordinance or regulation;
- (C) Operation or maintenance of the short-term rental property in a manner that is detrimental to the public’s health, safety, or so as to constitute a nuisance;
- (D) Discontinuance of the use.

Exhibit A to Ordinance No. 2016-12-19-XX

Determinations made by the city manager or deputy city manager may be appealed to the board of adjustment.

Item # 6

[Return to Agenda](#)

CITY OF LAKEWAY CITY COUNCIL MEETING
Action minutes of Regular Session
Monday, November 21, 2016 at 6:30 p.m.
Lakeway City Hall, 1102 Lohmans Crossing Road, Lakeway, Texas
AGENDA

1. **Establish Quorum and Call to Order** - Present: Mayor Joe Bain, Councilmember Hennagin, Councilmember Massa, Councilmember Powell and Councilmember Trecker. Absent: Councilmember Bertram and Mayor Pro Tem Haley.
2. **Pledge of Allegiance.**
3. **Financial Report.**
 - Staff report by David P. DeOme, City Treasurer.
4. **Final Plat: Paddocks at Bee Creek.** Consider a request from Bee Creek Stables, LP, owner of approximately 17.56 acres of land located at 4900 Bee Creek Road, for approval of a final plat for a single lot commercial subdivision to be known as Paddocks at Bee Creek.
 - Staff report by Deputy City Manager Chessie Zimmerman.
 - Citizen participation – No one spoke.
 - Council discussion/action – Councilmember Powell moved to approve the final plat. Councilmember Trecker seconded and the motion passed by unanimous vote.
5. **Special Use Permit: Short-Term Rental.** Consider a request from Peter and Susan McLaughlan, owners of the property located at 109 Edgewater Cove, for approval of a special use permit to allow short-term rental use at this location.
 - Staff report by Deputy City Manager Chessie Zimmerman.
 - Citizen participation – Susan McLaughlin, applicant. Present and available for questions.
 - Council discussion/action – Councilmember Hennagin moved to approve the request for a special use permit for a short-term rental use. Councilmember Trecker seconded and the motion passed by unanimous vote.
6. **Consider approving a resolution dedicating to Lakeway MUD** a public utility easement on city property located at 115 Trophy Lane.
 - Staff report by City Manager Steve Jones.
 - Citizen participation – No one spoke.
 - Council discussion/action – Councilmember Massa moved to approve the resolution. Councilmember Trecker seconded and the motion passed by unanimous vote.

7. **Citizens Participation** – Kay Andrews, resident on Challenger, paid compliment to BDS Building Official Alex Damgaard for his excellent customer service during her recent home repair.
8. **EXECUTIVE SESSION** – No action will be taken in Executive Session.

Convened to Executive Session at 7:00 p.m. Those present: Mayor Joe Bain, Councilmember Hennagin, Councilmember Massa, Councilmember Powell, Councilmember Trecker and City Manager Steve Jones. Reconvened to Open Session at 7:22 p.m. and took action on the following item:

Consider purchasing approximately 0.66 acres of land on Hurst Creek Drive. (*551.072, Deliberations about Real Property*) – Councilmember Trecker moved to approve authorizing the Mayor to negotiate a contract for the purchase of .66 acres of land on Hurst Creek Drive. Councilmember Massa seconded and the motion passed by unanimous vote.

<p>CONSENT AGENDA: All items may be approved by one Council vote. Members of the Council may pull items from the consent agenda for discussion.</p>
--

9. **Approve Minutes:** Regular Council Meeting of October 17, 2016.
10. **Approve Resolution:** Appointment of Assistant City Treasurer Steve Swan.
11. **Approve Resolution:** Appointment of City Building Commission member Carolyn Nichols.
12. **Approve Budget Amendment #1** to FY2017 Budget.

Councilmember Massa moved to approve the consent agenda. Councilmember Powell seconded and the motion passed by unanimous vote.

<p>END CONSENT AGENDA</p>

13. **Adjourn** –Meeting adjourned at 7:21 p.m.

Signed this the _____ day of December, 2016.

Joe D. Bain, Jr., Mayor

Jo Ann Touchstone, City Secretary

Item # 7

[Return to Agenda](#)

Resolution No. 2016-12-10-01

**A RESOLUTION OF THE CITY OF LAKEWAY, TEXAS
APPOINTING MEMBERS TO THE
DEER MANAGEMENT COMMITTEE**

WHEREAS, Wayne Seime has been nominated to become a member of the City of Lakeway's Deer Management Committee; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKEWAY, TEXAS:

That Wayne Seime is hereby appointed as a member of the Deer Management Committee for a term coinciding with the term of the Mayor, and shall continue until a successor is appointed, unless otherwise determined by the Mayor; and

All provisions of any Resolution of the City of Lakeway in conflict with the provisions of this Resolution are hereby repealed. All provisions of any Resolution of the City of Lakeway not in conflict with this Resolution shall remain in full force and effect.

PASSED AND APPROVED this ____ day of December, 2016.

Joe D. Bain, Jr., Mayor

ATTEST:

Jo Ann Touchstone, City Secretary

Item # 8

[Return to Agenda](#)

Resolution No. 2016-12-19-02

**A RESOLUTION OF THE CITY OF LAKEWAY, TEXAS
SUPPORTING CITIZENS FOR SCENIC HIGHWAYS
BEAUTIFICATION PROJECT
CENTRAL TEXAS – GATEWAY TO THE HILL COUNTRY
BURNET COUNTY - TEXAS HIGHWAY 281 AND 71 INTERSECTION**

- WHEREAS,** The City of Lakeway Travis County, Texas incorporated in 1974 with a estimated population in excess of 14,503, including ETJ, is a major population center in western Travis County.
- WHEREAS,** Travis County, founded in 1840, population of in excess of 1,121,000 is one of twenty-five Texas counties Texas Parks and Wildlife has identified as counties in the Texas Hill Country region.
- WHEREAS,** Travis County is linked to international, national and state highway systems via US Highway 281 (North and Southbound), Texas Highway 71 (East and West bound).
- WHEREAS,** the intersection of US Highways 281 and Texas Highway 71 serves as a Central Texas threshold to Hill Country counties from major population centers North, East, and South of the region and serves as the major traffic thoroughfare for commuters, tourists and business transportation all vital to the economies of the Hill Country communities in the region.
- WHEREAS,** Travis County recognizes all Hill Country region counties depend on the major economic contribution of seasonal wildflower, hunting, Highland Lake and resort recreational activities, which attract thousands annually to all communities within the multi-county Hill Country region.
- WHEREAS,** the TXDOT highway intersection of median, easement and cloverleaf section comprise approximately 1,306,800 square feet (30 acres) of grassy areas and native tree clusters.
- WHEREAS,** a citizen volunteer group, Citizens for Scenic Texas Highways submitted an application for a TxDOT Landscape Partnership Agreement for a highway beautification project in September 2016 to include (Phase 1) vegetation management – tree trimming, underbrush removal, brush and dead growth removal to allow highlight of stately native trees, and (Phase 2) abundant wildflower seeding in Fall 2017 and Fall of 2018.

WHEREAS, for the purpose of this citizen proposed beautification project, this state highway intersection is hereby designated the **Central Texas - Gateway to the Hill Country.**

WHEREAS, The Texas Department of Transportation (TXDOT) Burnet and Johnson City Districts in Burnet and Blanco Counties have full jurisdiction on the management and maintenance of State Highways 281 and 71 are petitioned to support this beautification project.

WHEREAS, under the terms of a TXDOT Landscape Partnership Agreement, the volunteer citizen group, hereby known as **Citizens for Scenic Texas Highways** will act as “DONOR” raising funds from individuals, businesses and major employers in the region to purchase wildflower seed mixes to include Bluebonnet, Indian Paint Brush and Indian Blanket wildflowers.

WHEREAS, DONOR will purchase wildflower seed mixes for seeding as a donation to be delivered to TXDOT for planting by in 2017 and 2018 to assure years of seasonal abundant displays of wildflower color in medians, easements and cloverleaf sections this state highway intersection; and,

WHEREAS, The Central Texas - Gateway to the Hill Country Beautification Project will enhance the region and serve as a welcome to thousands of commuters and tourists who travel these roadways and make a critical contribution to the economic base of the multi county Hill Country region.

BE IT RESOLVED, The City of Lakeway, hereby supports the Central Texas – Gateway to the Hill Country Beautification Project and encourages TXDOT to support and facilitate its implementation to completion. Citizens of the City of the Lakeway are encouraged to support this and all state and county agendas that assure safe and beautiful roadways.

PASSED AND APPROVED this 19th day of December, 2016.

Joe D. Bain, Jr., Mayor

ATTEST:

Jo Ann Touchstone, City Secretary