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Dear Client:

**It's a long-held truism that your home is worth more if it is in a great school district. This is staggeringly true in Travis County. All you have to do to confirm this reality is to check this week's Travis Central Appraisal District's listing of home values for tax purposes. The range, by school district, in average taxable home values for 2015 goes from \$96,396 to \$790,113.**

Of course, there is more that goes into the value of your home than just the school district – the price/size of the home, the “desirability” of the neighborhood, the amenities such as swimming pools and golf courses, the general upkeep of the streets, utilities, etc. **But a quality school district is near the top of the list of what makes a neighborhood desirable – and, therefore, makes the homes more valuable.**

**The Eanes Independent School District is the poster child for a quality district. Year after year, it regularly tops not just local and state lists but a wide variety of national lists for student achievement.** Families pay top dollar to move into the district so their kids can get a top quality education. The Eanes District encompasses the high-dollar West Lake Hills and Rollingwood neighborhoods in the hills of West Austin.

So, how does Eanes ISD stack up? **The average taxable value for a home in the Eanes ISD for 2015 is – hang on! -- \$790,113.** Which district is in 2<sup>nd</sup> place? The **Leander ISD** is way back with an average home value of \$413,223. **Marble Falls ISD** is next with an average home value of \$394,309 and it is followed by **Lake Travis ISD** with a \$334,020 average home value.

**Round Rock ISD's average 2015 home value is \$313,028 and the Austin ISD is next in line with an average 2015 home value of \$307,194.** An average home value in **Travis County** proper is \$262,462. The lowest in the area is the **Del Valle ISD** with an average home value of only \$96,396.

**There is an obvious correlation between the appraised value and the amount of property tax collected that goes to the school district.** However, the chicken/egg concept of which comes first – the wealth or the quality – can be debated. But there is a correlation. (We won't go into the amount that is required to be transferred from the wealthy property tax districts to the poorer districts around the state. The Legislature is looking at that as we speak.)

***The Austin American-Statesman's* action this week may be the strongest indication yet that its extremely valuable downtown waterfront property will soon be sold. Its print and packaging facility on South Congress at Lady Bird Lake will be shut down, leaving behind the building that houses the reporting and advertising offices. This certainly makes it easier for the newspaper to “cash-in” on a highly-desirable land asset in this fast-growing community.**

A waterfront location is not needed to house reporters, photographers, website and ad sales personnel. **Hey, they could even rent space conveniently located near City Hall and the Capitol Complex and their job performances would not be impacted.** The printing is going to be outsourced to San Antonio and Houston and the AA-S promises its **newspaper delivery times and distributions to its customers will not be affected.** The timing: transitioning will begin at the end of June.

Developers have drooled for years over owning the AA-S's very desirable property. **In this hot market, the land can bring top dollar. And many uses – hotels, office buildings, residences, waterfront retail and cafes, etc. -- have been discussed. And, believe me, money is available to make this happen.** You may recall we also reported speculation that a Special Events Center -- possibly shared by UTAustin, a major league sports team (soccer, anyone?) and catering to concerts – was a possibility.

**The *Statesman* has been owned for decades by privately-held Cox Media Group and Cox Enterprises, HQ-ed in Atlanta.** Several years ago, the *Statesman*, along with the land, was offered for sale. After several months on the market, the offer was withdrawn. The times have changed. **Austin is one of the hottest US development markets and if Cox sells the land, the newspaper can continue to operate – with a massive amount of money in the bank.**

**Keep your fingers crossed. Based on current conditions, compared to recent past history, the area is setting up for some major rain events from now through the fall. Right now, the likelihood is greater for more rain than it was just a few months ago.**

The Lower Colorado River Authority reports this week that when recent major rain events have occurred in Central Texas, they have taken place while El Nino was present. Right now, weather scientists point out that currently there's a **70% chance for El Nino to continue through the summer and diminishing slightly to a 60% chance to continue through the fall.**

El Nino is a warming of the ocean waters between Australia and South America. When this occurs, it has an impact on weather patterns worldwide. **The effect in Central Texas has been greater-than-normal rainfall -- even at times to the point of flooding.** Big rains would be beneficial to the area's major water sources of drinking water. Right now, the reservoir lakes of Travis and Buchanan are only about 38% full.

**Whenever you purchase a sporting goods item, a hunk of the sales tax you pay is supposed to go to fund state parks. The law dedicating those funds was passed by the Texas Legislature in 1993. Since then, the state has collected more than \$2 billion in sporting goods sales tax revenues, yet only 36% has been appropriated for state parks. The effort to change this distribution provides a case history on what it takes to get action at the Legislature.**

The outcome of this effort will not be determined until the waning days of this session of the Legislature that is scheduled to end June 1, 2015. And there are several aspects to the effort – ranging from **enacting a constitutional amendment** to guarantee the sporting goods sales tax revenue goes to help fund state and local parks **to currently appropriating \$75.3 million** to pay for capital construction and deferred maintenance of many parks.

To bolster the case parks advocates are making, they've taken a couple of steps to convince legislators they would be on the side of the people if they adopted their suggestions: 1) The Texas Parks and Wildlife Foundation funded a **public opinion survey**, released when the Legislature convened in Austin in January and 2), and an **economic impact study** was conducted showing the “value” of parks.

The public opinion survey showed, in a variety of ways, **the public supports protecting state and local parks** – by an overwhelming margin. And the economic impact study showed **parks generate big dollars locally in legislators' districts**.

These actions were not unique. It's a simple case study. Many interest groups do all they can – and spend the dollars – to reinforce their positions as they seek legislative action. After these steps are taken, the **lobbyists move in to make sure the legislators are “fully informed.”** And the votes are counted to determine the likelihood of success.

**All this is taking place in a tax-cutting environment.** The Texas House and Senate have both passed tax cut proposals – but they differ. So the differences will be worked out in a joint conference committee. As we said, it may be **near the end of May before the behind-the-scenes maneuvering results in a final product.** This is where the lobbyists earn their money.

**Another interesting lobby battle is being waged at the Texas Legislature. Once again, there's a high-powered push for electric-powered luxury Tesla vehicles to be sold direct to Texans.**

And the opposition to the California product is fierce from Texas auto dealers. “Sold direct” is the buzzword. Tesla wants to cut out the dealer middleman. **“We should not allow a California corporation to come in and demand to be treated different than any other company. That is not a free market, not how business works and not in the best interest of Texans,”** said one Texas dealer. Tesla failed in the last session. Let's see how they fare now.

**We are not alone. Austin and Seattle are among the fastest-growing cities in the nation. Seattle is boasting of being a powerhouse for technology development and, at the same time, is reeling from traffic congestion problems. Sound familiar? Austin is the 11<sup>th</sup> largest city in the US by population (can you believe it!) and Seattle is the 21st. (This is city limits, not metro.)**

Despite its tech expertise, reports out of Seattle this week say **technology can't solve their transportation problems. Does this apply to Austin, where technology traffic solutions are the best in the nation?** Let me refer you back to our February 13, 2014 edition (click the "Newsletters" tab at the top to go immediately to the final story in that issue).

In that story, we told you **Austin ranked #1 in the US as the best of 70 of the nation's largest cities for getting around without a car.** The US Public Interest Research Group came up with a list of 11 transportation alternatives available on your Smartphone. **Only Austin has all 11 services** and you know how that's working out for you. **Seattle, by the way, has nine.**

Reports out of Seattle indicate **the reason state-of-the-art tech solutions are not the answer is the aging infrastructure can't keep up.** Seattle even enlisted Microsoft and Amazon to sponsor volunteer **hack-a-thon teams to develop new apps** to help people get around the city easier. The reason this effort didn't solve the problem is it didn't take into account the infrastructure has not been able to keep up with the population growth.

It's always instructive to analyze what other cities with similar situations and problems are doing to solve problems. Seattle is a good city to analyze. But so far, **Seattle – even though it is one of the most technologically-advanced areas in the country – has been stymied by using its asset of tech capabilities to solve its traffic problems.** Infrastructure is the key. Just like Austin, Seattle is moving to solve its infrastructure problems. But it takes time.

In response to our stories referencing the rising cost of housing in the Austin area, **Dr. Louis Overholster** observed: "Austin's housing prices are higher than Willie Nelson!"

Sincerely,



Editor/Publisher