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Dear Client:

Most Austinites complain about traffic problems, but no one seems to be as vociferous and knowledgeable as civic activist Mike Levy, the founder and former publisher of *Texas Monthly*. He minces no words, he names names and he tosses out zingers right and left. Here are some of Levy's rants about problems downtown and on The Drag.

About UTAustin's Drag: "The city's transportation department head **Robby Spillar** plans to **reduce the Drag to one lane each way for cars, dedicating the other lanes for usage only by increasingly empty buses (as per Capital Metro's own data) and then for trolley cars,** for guaranteed gridlock in the UT campus area in addition to the downtown areas, as promoted by Mayor (**Steve**) **Adler** and Council Member (**Ann**) **Kitchen**. In addition to increasing congestion, the impact on small **business owners' stores and restaurants along The Drag will be devastating because of the elimination of parking.**"

Levy also zeroed in on downtown traffic: "Robby, under his 'Great Streets' initiative, has already made Colorado and Brazos into two-way streets with **loss of vehicular lanes to allow for wider sidewalks and tree pots for cigarettes and benches for sleeping** with similar plans for Guadalupe, Lavaca, Trinity, San Jacinto and all streets from the river to 10th."

"At 5 pm East 7th is backed up to Brazos with cars headed to IH-35. Make it two way and it will be backed up to Johnson City. (A big chunk of East 5th between IH-35 and Brazos was quietly made two-way the weekend of August 26.). More lane elimination is planned throughout the city using money from the last bond election.

"The mayor talks about reducing congestion. Help me out here. Please. **How does taking away vehicular lanes throughout the City, and especially in the downtown and UT areas, reduce congestion as per the mayor's promise?"**

"Under Robby Spillar's Grand Plan, with the support of the mayor and the Council, has as a **ludicrous goal to create intentionally so much congestion people will get out of their cars to ride buses and trolley cars or bikes or walk to downtown,**" concluded Levy. **"He's letting Robby Spillar create gridlock that will make New York City's look good."** Check out the next item for more Levy comments about the mayor, council and CapMetro.

The not-so-shy gadfly, Mike Levy, is taking personal potshots at city transportation leaders, the mayor and Capital Metro. One Levy comment: “the City of Austin’s transportation department was obviously absent that day in school when Common Sense was handed out.” Other observations are just as pointed, such as his criticism directed at the head of the city transportation department, Robby Spillar.

“Robby is supporting a noisy advocacy group to take the outside lanes of North Lamar for dedicated bus lanes followed by trolley cars. **(Spillar has not given up on trolley cars, although they were soundly defeated by us folks out in citizen land.** And he does have an ‘Active Transportation Group’ who **hate cars and is now implementing the \$10,000,000 ‘Bicycle Master Plan’** that the mayor buried in his transportation bond election.)” Levy commented.

Capital Metro did not escape Levy’s vitriol: “Ever wonder why the windows of CapMetro’s buses are almost black? To keep out the sun? Maybe. **And to keep people from seeing how few if any riders are in these buses that have their own dedicated lanes? Duh!** So just step on any bus, take a look for yourself, and hop off. A guarantee: you won’t be happy with what you will not see: passengers. The worst sight: The very, very expensive accordion buses.”

“If only the Mayor and Council could feel our pain,” Levy lamented. “Parking is not a problem for them; they have reserved spaces under City Hall. **The mayor walks 75 yards to his office in City Hall from his condo in the W, and when he needs to go someplace by car, on-duty police officers (despite Austin’s shortage of cops for its neighborhoods) chauffeur the mayor in an unmarked black Tahoe.**”

These edited comments are not the end of Levy’s traffic rants. And don’t get him started on problems with fire, police and EMS. But you get the picture.

In a late night session this week, the Austin City Council adopted a new annual budget, effective October 1st. It is the biggest city budget in history – totaling a whopping \$3.9 billion. It includes setting a minimum hourly rate, as well as a pay raise for city employees. But it doesn’t include money to hire new employees to help speed up the city’s much-maligned development approval process.

Even though city staff recommended adding 51 employees to the city’s Development Services budget, the Council did *not* follow this recommendation. It did include a **2.5% pay raise** for all non-sworn permanent city employees. And it established a **\$14/hour minimum wage** for permanent city employees. **The property tax rate was raised 7.9%**, just under the 8% limit that could trigger a rollback election.

You think the Austin area housing market is going crazy with high demand and ever-rising prices? You may rightly ask, how far can this go? Look no further than California. In Sunnyvale, a 4-bedroom, 2-bathroom house with less than 2,000 square feet was recently listed for \$1,688,000. Pretty high, huh? Hold on! It sold for \$2,470,000. That's right – it attracted more than 20 bids and sold for close to \$800,000 over its asking price. And it happened quickly, selling in seven days. Now this is ridiculous.

While this is an extreme example, the *San Jose Mercury News* reports that **more than 50 South Bay homes sold in the last month for at least \$200,000 above the listing price.** More than half of those deals were made in Sunnyvale. Sunnyvale is a modest community, not like those pricier places further north in Silicon Valley -- Palo Alto, Los Altos and Mountain View.

What's happening? Of course the demand is there. But, to entice Silicon Valley buyers used to seeing high home prices, **"it's become common strategy to list homes under their market value,"** according to the *Mercury-News*. And buyers are all too willing to fight over the few houses available in their chronically-tight market – creating a bidding war. Even "a typical Sunnyvale house in a nice Sunnyvale neighborhood," such as this example.

It's significant this frenzy is occurring in communities on the urban fringes of major Silicon Valley cities. Most buyers work in tech and "it's usually a family with one or two young kids," noted the newspaper. The implications for the Austin area future are obvious.

Well then, what is the current status of the Austin area housing market? All you need to do is check the newly-released Texas Association of Realtors (TAR) January-June 2017 report covering the major markets in Texas. Overall, it points out the housing market in Texas is healthy. But, here's the rub: the Austin metro housing market is the most expensive in Texas.

TAR's Midyear Report indicated **Texas major metro home sales jumped 5.5%** compared with the first six months of 2017. And it noted **Texas home prices also continued to rise steadily** in the first half of the year. **The median sales price increased 7.7%** from the prior year.

For in-state comparison purposes, the **Austin area had the most homes priced at \$1 million or more during the first six months of this year.** Houston was second, Dallas-Fort Worth third and San Antonio fourth.

Another example: **The Austin metro led in more homes priced at \$300,000 and above.** Dallas-Fort Worth was second, Houston third, San Antonio fourth.

There is much more in the TAR report, such as **Austin had the state's highest median price of homes.** And, for now, Austin's rising, state-leading housing trend shows no signs of slowing.

Record-setting rainfall hit Texas when Hurricane Harvey slammed into the state. Flooding images are still ingrained in Texan's minds, even as Florida is suffering similar problems. With such a massive rainfall along the Gulf Coast from Corpus Christi northward, what is the status of nearby counties? Can you believe abnormally dry conditions actually expanded in South Texas and the lower Rio Grande Valley?

The remainder of the state is doing quite well when you assess wet-dry conditions. **The Austin area is in exceptional shape as summer winds down.** Statewide, drought conditions existed in only 0.8% of the state along the Rio Grande from the Big Bend down to the Gulf.

Speaking of summertime, the heaviest travel months of the year at Austin's Airport have ended and they were a doozy. Total passenger traffic in the most active month – July – set a new record. And the totals zoomed way past the previous record.

The official July 2017 passenger tally at Austin-Bergstrom International Airport (ABIA) was 1,310,174. **This beats the previous ABIA record set in July a year ago by almost 31,000 passengers – an increase of 15.5%.** August totals, and the remaining months in the year, typically drop off. So this record will likely stand until next year.

Speaking of transportation, another milestone was set in the pedal-power category. Austin's bike-sharing program – Austin B-Cycle – announced it reached its “two millionth mile.”

This is the program that has 54 stations holding about 420 bikes. **Anyone can grab a bike, pay a fee and return it.** It will add 15 more stations and 85 bikes in the next year.

Dr. Louis Overholster says it's not only death and taxes that are inevitable, but now there's shipping and handling.

Sincerely,



Editor/Publisher