

Volume 24, Number 7

May 17, 2002

Dear Client:

**“In my 16 years of representing taxpayers in Austin, this is the most egregious abuse of the taxpaying public that I can remember,” said Senior Tax Consultant Jeff Bullard. He is upset with the Travis County Central Appraisal District’s approach to setting values on your property and its approach to appeals of those values.**

Remember, we told you 5/3/02 about a link on our website where you could **compare your newly appraised property values with comparable properties to see if you are being fairly taxed.** You have until 5/31/02 to protest these new valuations. And the odds are, even though we’ve been in an economic downturn, your values have probably been hiked dramatically – meaning you’ll pay more 2002 taxes, if you don’t successfully protest the valuations.

Bullard tells us “Travis CAD is attempting, for the second year in a row, to convince the Appraisal Review Board that the **value assigned to your neighbor is not valid evidence in a formal review hearing**, and can only be used when the fight turns into litigation against the appraisal district.”

As he put it: “They are setting a threshold of **hiring a lawyer and spending copious amounts of money** just to reach an arena where you can argue ‘equity in taxation’, rather than simply ‘market value’.”

Bullard says that during June and July of last year, the Appraisal Review Board made “**many, many poor decisions** based on the instruction of Mr. (Art) Cory (Travis County’s Chief Tax Appraiser) that ‘**equity in taxation is not valid at the ARB level of appeal.**” Bullard went on to say “after enough taxpayers and agents fell on the sword, the ARB eventually moved back toward their long-standing appreciation for fairness and ‘equity in taxation,’ rather than blindly sustaining wildly disparate valuations simply on the basis that ‘market value’ is the only appropriate measure.” But, he warned: “I expect this scene to be replayed for 2002.”

What does he base this on? “According to Travis ARB training sessions completed just last week, the **valuation of the ‘house next door’ or ‘the other homes on the block’ cannot be used as evidence in a tax appraisal appeal,**” he declared. “I know, because I attended those sessions, that this is exactly what Art Cory and his staff said.” Bullard also reported that Cory said the “**ARB should not lower values during appeals** because they should be concerned with the school children of Texas.” It looks like the battle lines are drawn.

**Whatever happened to the good ole days when political campaigns began on Labor Day? The governor's race is gearing up this spring with an intensity you usually don't see until fall. This means you will be bombarded with ads, calls, mailers, news stories, charge and countercharge for six loooong months before voters strike back Election Day, 11/5/02.**

You may be treated to a rare spectacle of the Democratic candidate for governor outspending the Republican incumbent. In an aggressive Democratic primary, **Tony Sanchez** showed he was willing to spend a big chunk of his personal fortune to become the next governor of Texas. And, he's already jumped out ahead of GOP Governor **Rick Perry**, running a heavy schedule of TV ads. But don't feel too sorry for Perry. He has a big campaign bank account and his predecessor, President **George W. Bush**, will help him raise even more.

Another part of the campaign is not all that obvious. **There is an almost-daily duel of tough-talking press releases from both camps.** No sooner does one candidate pop off about some issue than the other side is firing back with both barrels. These e-mails and faxes make good fodder for the daily news cycles, but this early start may tend to cause voters to tune-out long before election day – if voters are even paying attention now. The same is true for early TV ads.

Another impact of this early combat campaign in the governor's race will be its effect on other statewide contests. It will be hard for USSenate candidates **John Cornyn** (R) and **Ron Kirk** (D), Lt. Gov challengers **John Sharp** (D) and **David Dewhurst** (R), and Attorney General nominees **Greg Abbott** (R) and **Kirk Watson** (D) to get noticed, even if they raise the dollars for which they're striving. And, it's even more difficult for down-ballot candidates. But, frankly, with this long campaign period, you probably should feel sorry for the voter.

**For decades now, the population trend lines in Texas indicate Hispanics are growing in number faster than any other demographic group. No one disputes this. But, is anyone other than politicos (who see Hispanics as a power base) taking this increased Spanish-speaking culture into account?**

They are in the School of Nursing at UTAustin. **Nursing students are now required to learn basic Spanish language skills.** This doesn't mean nursing students must become fluent in Spanish – making a tough course load even tougher, but the need for bilingual medical personnel is now being recognized.

A new course has been created called "Spanish For Health Professionals." **The course teaches specific dialogues and basic phrases in Spanish** to, as Nursing School Dean **Dolores Sands** says, "equip the students with the tools to perform the daily tasks of nurses and better prepare them to give personalized care."

**Even though the expanded Austin Convention Center is opening for business this weekend, there are still almost a half-dozen building cranes hovering over the downtown site. And, they'll be there awhile – because the cranes are being used in the construction of a huge, new downtown hotel adjacent to the convention center.**

The cranes will be swinging over the area until the new Hilton Hotel tops out at 31 floors. It's a massive construction project. The hotel is not planning to **open until January 2004**. It will have **800 guestrooms**, including 86 concierge level rooms and 25 suites. Hilton officials call it a state-of-the-art facility with **60,000 sq.ft. of technologically sophisticated meeting and banquet space**, befitting our high tech city status.

Additionally, the hotel boasts of extensive meeting and event accommodations, plus **two full service restaurants, a lobby bar and a full-service health club and swimming pool**. Conference space will include a 28,000 sq.ft. Grand Ballroom, capable of accommodating more than 3,500 for a reception, 1,900 for a banquet and 1,800 seated in a classroom style configuration.

That's not all. Additional function space includes a 16,000 sq.ft. Junior Ballroom, **ten individual meeting rooms and ten hospitality rooms** suitable for small meetings and social events. A 9,000 sq.ft. pre-function area, featuring terraced areas, will open into the ballrooms.

As you know, most conventions and meetings are booked years in advance. **So, how's the Hilton doing with advance bookings? Pretty good so far.** The Hilton says the following groups will use the new facility as its headquarters hotel for future meetings: American Institute of Chemical Engineers, Texas Municipal League, Texas Association of Secondary School Principals, American Phytopathological Society, Farm Credit Bank of Texas, Delta Sigma Pi Fraternity and the National Corn Growers Association.

**Speaking of business meetings and travel, the president of Ft. Worth-based American Airlines, Donald Carty, is optimistic business travelers will get back in the air.**

In an interview with *Business Travel News*, Carty said "What all of us know is that the hassle factor is not as great as it is perceived to be. The other thing that is clear is that many business travelers know they will never get their companies turned around until they go and call on customers." Carty observed that "**the good companies are coming back to the air faster than the not-so-good companies. You can see the strongest of the tech companies traveling more than the weakest ones.** You can see it in the data."

But Carty also says "we have to take a very hard look at our business model and be ready for some fundamental changes in the way we operate." More changes may be on the way.

**A 2-bedroom, ranch house with no air conditioning on a quarter acre lot in the heart of the Silicon Valley recently sold for more than the \$995,000 asking price. Did I mention it was built in 1948 and is charitably called a “fixer-upper”? Does this mean the worst is over?**

Yep, the housing market in the technology hub appears to be bouncing back, reports *Bloomberg News*. The housing market in the Silicon Valley nose-dived recently. It was much worse than what happened here in the Silicon Hills, where only the million-dollar mansions took a big hit. **In the Silicon Valley, there was a 16% overall decline in home prices last year**, while the rest of the nation was looking at a 6.3% gain.

*Bloomberg* talked to a number of Valley Realtors and the consensus was that **pent-up buyer demand** is now being felt because people didn't make a move last year when it was clear the market was heading down. Now, they're jumping back in – helped along by bottom-scraping interest rates.

March home sales in Santa Clara County – the heart of the Silicon Valley – rose 59% from the same month in 2001, according to the California Association of Realtors. **The median price is up 7.2%, to \$535,000**, since the end of 2001. And, that's above the 4.6% gain for the rest of the state. Why is this important? **Compare it to Austin: our median home price in the 1<sup>st</sup> quarter this year is only \$157,300** – and that's up more than 6% over 2001's 1<sup>st</sup> quarter.

One reason for the housing turnaround on the Left Coast is there is a **dearth of homes for sale**. Also, **job losses have slowed** in the Valley. In fact, the Silicon Valley jobless rate fell to 7.4% in March (the latest figs available) from 7.7% in January. Again, when you compare that to Austin's unemployment, you'll see **we've remained two percentage points better** all along.

When **Dr. Louis Overholster** heard the former head of the Central Intelligence Agency, **Robert Gates**, has been selected as the new president of TexasA&M, he knew instinctively Gates was the right person for the job. After all, the good doctor opined, “Gates knows the difference between a terrorist and a tenured professor – you can negotiate with a terrorist!”

NEAL SPELCE AUSTIN LETTER (ISSN 1071-0612) is published weekly, except last two weeks of the year, for \$150 (plus tax) per year or \$249 (plus tax) for two years. To subscribe, call 512-498-9495. Periodical Postage Paid at Austin, TX 78767 by Austin Letter, Inc., 1407 Wild Cat Hollow, Austin, TX 78746. POSTMASTER: Send address changes to: Neal Spelce Austin Letter, P.O. Box 1905, Austin, TX 78767-1905.

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