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Dear Client:

If you hit Austin roads during rush hour, you'll spend 31% more time in traffic than during less busy times. One of the problems: it's not just folks going to work.

Rush hour traffic in the Austin area is so bad, you are willing to pay \$12 to save an hour of commute time, according to a UTAustin study. And no wonder. Austin was recently cited as the **most congested among similar-sized cities in the US**. The complaints about Austin traffic are not a recent phenomenon. For decades when Austinites were asked what they thought to be the most serious problem, transportation was at, or near, the top. And it is worsening.

One of the rush hour problems is motorists are not just driving to and from work. Dr. **Chandra Bhat** found the increasing diversity in Austin household structures is increasing the amount of *non-work* stops you make during rush hour. It may be stating the obvious to point out **drivers during rush hour stop at day-care centers, do their grocery shopping, exercise at a gym, etc.**

By making these stops during congested travel times, **commuters are making a bad time to travel worse**. Bhat's study found such non-work stops can have significant implications in peak travel levels and overall air quality. He points to "an increasing number of two-adult, two-worker families and working single parent and/or working single adult families" as contributing to this congestion.

It's important to understand the purpose of his study. **It was to determine what would lure commuters out of their cars and into public transportation**. So it was significant that he noted, if you want to get drivers out of their cars, it is not enough just to get them to and from work – because many motorists cram all their errands into the time of day they're already in their cars for a long time, to be more efficient in the use of their time.

His solution is much more drastic, and difficult, than simply offering buses or trains to take you to your workplace. He calls it "inappropriate" to divorce the commute trip from non-work activities. He suggests, for instance, building commuter rail stops around a shopping center with a grocery store, a post office, a bank, a child care facility, etc. **But he says a single transportation strategy, such as road building or tolls or commuter rail, won't work**. He says "by combining several transportation *and land-use policy actions*, there is a potential to make a tangible reduction in traffic congestion levels."

If commuter rail is adopted by Austin voters in less than two weeks, rail backers may want to check out a new government lending program aimed at those who live within walking distance of rail stations.

The program announced by Fannie Mae is aimed at those who live within a half-mile of a rail station, or one-quarter mile of a bus stop. As an example of one of the provisions, a borrower earning above 100% of the area's median income would be required to put only 3% down on a new home. Below that level, a **borrower would only need 1%, or \$500, whichever is lower.** Also borrowers must prove they own no more than two vehicles.

Fannie Mae is a publicly traded company that buys mortgages from lenders. **It started this program three years ago in Minneapolis and implemented it in the 30th city a week ago** in the Dallas suburb of Plano, where the Dallas Area Rapid Transit system has a couple of light rail stations that haul commuters into downtown Dallas.

The objective is to cluster residents within walking distance of a commuter rail system, to lessen the dependence on the automobile, thereby reducing traffic congestion.

Keep an eye on East Sixth Street. The widely-known downtown Austin entertainment district may be about to undergo another transformation.

A recent study concluded that East Sixth Street is underperforming. It pointed out that if two-thirds of the businesses were performing at the same level as other US entertainment districts, they would be producing \$150 million in sales. As a result the business owners decided to implement a **professionally-managed district**, as found in other successful similar districts.

It will be paid for by a Public Improvement District (PID). **The PID will assess property owners ten cents per \$100 valuation** up to a max of \$500,000 valuation. The district spills over into some of the properties on East Seventh and East Fifth, from Congress Avenue east to IH35.

The PID Executive Director will work **on behalf of property owners and tenants** with the City of Austin on such issues as public order, historic signage and infrastructure, daytime uses, evening crowd management issues, cleanliness, etc.

The PID assessment will raise only about \$38,000 a year, so the property owners will seek private monies to reach a \$125,000 annual budget. East Sixth Street has long had an up-and-down history, especially when crowds at big events such as South by Southwest or Halloween get out of hand. Also, while it is smack dab in the heart of the downtown business district, current businesses as well as the folks making new investments in the surrounding area (such as the new Hilton Convention Center Hotel) are hoping for a more compatible East Sixth Street.

With home mortgage interest rates still relatively low, but re-financing of existing loans slowing down, what is the future for the many Austin mortgage lenders and brokers?

First of all, mortgage lenders are not all that bullish, according to the Texas Real Estate Confidence Index. The index is a survey of real estate professionals, conducted quarterly by the Real Estate Center at TexasA&M. For the fourth consecutive quarter, the mortgage lender segment of the survey was the only group with a negative index score.

“A huge number of homeowners refinanced their mortgages when interest rates dropped several years ago,” said **James H. Leigh**, associate research scientist for the Center. “Now that the market for refinancing is all but dried up, the major source of financing business must come from the sale of new and existing homes.”

He added that “with so many mortgage lenders and brokers chasing a much smaller market, some of the **smaller, less aggressive, and less well-known firms most likely will be weeded out.**” Leigh said he does not expect the mortgage lending market to return to the optimistic days of years past anytime soon.

His is a statewide view. **Obviously some real estate markets are hotter than others**, but with interest rates slowly rising, he is expressing concern for the weaker firms around the state who were riding the refinancing wave without much effort to generate business.

The presidential race is white hot in the final days and getting all the attention. But what about the makeup of the USHouse and the USSenate after the 11/1/04 voting?

Based on the best information we’ve been able to glean from around the country, the USHouse and the USSenate will remain under Republican control no matter who is elected president. In fact, it is likely the Republicans will increase their 229-206 margin in the USHouse. What this means, for example, is if Senator **John F. Kerry** wins the presidency, there is no way the USHouse will roll back the tax cuts, as Kerry has promised.

The numbers are different on the other side of the rotunda, but the results look as if they will be the same. Even though the Democrats need just two more seats in the USSenate to take control, certain **GOP candidates for the US Senate are seeing their chances** improve here in the final days. The Dems will gain new seats in Illinois and Alaska, but they are in a tight fight in Colorado and Oklahoma. The GOP should add seats in Georgia, Louisiana, South Carolina and, possibly, Florida. Sides will probably not switch in North Carolina and South Dakota.

Bottom line: look for a strongly partisan USHouse, with a strong GOP majority. Look for the Republicans to once again control the USSenate, but the margin is close enough that little will get done there without bipartisan agreement.

An Austin attorney, who was a teenager in the 1960s, has some wry observations for the teens of today on topics with which you are all too familiar.

Recalling his teen years, **Claude Ducloux** says “We, of course, were convinced that our parents didn’t understand us and, by the way, weren’t we blessed to be so precocious?” Now, writing in *Austin Lawyer*, Ducloux has these viewpoints about some of our local teenagers.

Tattoos. “Why is permanently marking up your body so fun? Age will do that to you soon enough. **But that little tiny rose on your hip is going to look like a syphilis chancre by the time you turn forty.**”

Body Piercings. “Eeeeeee! Why do so many young people enjoy looking like they jumped in a blender with a staple gun? Hey, it’s your body. I respect your decision, but please remember that you are making career decisions with your choice of personal adornments. Some people may prefer that a **doctor they’re paying for advice doesn’t have a lisp because of the barbell impaled through her tongue.**”

Nuclear Powered Sub-woofers. “You’ve heard them, the bone-jarring boomp-boomp of 150 watts of bass blown through the window of a 1974 Chevette. It will re-arrange your DNA. I’m just waiting for the magnets to get so large on the woofers that, when the driver turns it on, the **electro-magnetic drag on his piercings pulls his head into the back seat, leaving his low-rider shorts in the front.** It won’t be pretty.”

Ducloux concludes “adults are clueless and mystified by some of the machinations and choices of the younger generation” – all the time admitting when he was a teen “we grew our hair long and drove everyone nuts as we sought to change the world.”

Dr. Louis Overholster, as Election Day approaches, observed that any young person can grow up to become President and added “I suppose that’s just one of the risks they take!”

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