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Dear Client:

An ordinance that would require Austin businesses to provide *paid* sick days is headed to the Austin City Council next week. If it stays on the Council's planned action track, it could become law early next year. City staff has been working on the draft measure, gathering input from a variety of sources. And, as you would expect in Austin, there is disagreement on the proposal.

Of course, many Austin businesses provide *paid* sick leave for their employees, even though neither Texas nor federal law requires private employers to do so. As of last count, **more than 30 US cities have enacted such a mandate**. And, the feds have dictated that if a private employer has at least 50 workers, it must provide *unpaid* sick leave.

So, which categories of workers are pushing for this ordinance? Backers of the proposal argue **many local service, retail, construction and maintenance jobs do not get paid sick leave**. As one spokesman put it: you should not have to choose between taking care of a sick kid and paying the rent.

However, it is more nuanced than that. Tech companies, for example, maintain a **one-size-fits-all city reg would cause administrative nightmares, even if the tech company offers some form of paid sick leave**. And, some small business reps complain such an ordinance would raise costs.

When you step back and try to anticipate what is likely to happen, you have to analyze the makeup of this 10-person City Council. **Such an analysis would lead you to believe some form of a paid sick leave mandate is likely to be passed**. The initial content will start to become clear within the next few days when the staff presents its recommendations.

Assuming it does pass, it will not likely be the last word. A lobbying group for small business indicated it will probably go to the Texas Legislature to put a stop to such an ordinance. If actions of the previous legislature are any indication of what might happen, **the odds are that any action by the Austin City Council will likely be overturned by a bill that would have statewide application**.

While this is an educated assessment, nothing should be taken for granted. **The first public step should come this next week and will continue into 2018**. Stay tuned.

Support for an Austin City Council action has come from what some may consider an unlikely source. Affordable housing has long been an object of much discussion. Blame has been passed around for the rising cost of housing inside the Austin city limits. One solution has Council frequently demanding builders and developers make “affordable” living units part of their various projects. Earlier this month, the Council initiated action that could reveal city policies may be part of the problem. And that brought praise from one quarter.

The Texas Public Policy Foundation (TPPF) has long been a supporter of conservative issues, but this week it **applauded the action of Austin’s left-leaning City Council, after it adopted what the Council called the Family Homestead Initiative.** What did TPPF like about this?

TPPF said the Initiative called for **“the city to identify all the regulations and costs associated with the process” of building and remodeling homes.** High costs and approval delays have long been criticized by developers and builders – claiming it all adds to the cost of living units. And this, they charge, leads to higher prices to consumers.

As a result of passage of this initiative, TPPF says the City Manager has been directed **“to streamline systems for smaller residential projects, create written guidance (and catalog) all relevant single-family structure remodeling fees, and explore options for reforming the permitting process for single family dwellings moving forward.”**

TPPF said **“this is certainly a praiseworthy step forward for a city plagued by high housing costs, excessive taxation, permitting delays and other barriers to realizing the American Dream.”** While TPPF is a statewide organization it is headquartered in downtown Austin.

Speaking of costs, here’s a heads-up: Travis County property tax bills – more than 280,000 of them -- are in the mail to property owners. The deadline for payment is January 31, 2018. Penalty and interest charges will be added to late payments beginning February 1, 2018. Payments may be made online at www.TravisCountyTax.org.

By the way, some 132,000 Travis County homeowners escrow property tax payments through a mortgage company or a lending institution. **Those taxpayers should double-check to make sure the payment was made timely** by those companies and that no late fees are charged.

Still on the subject of payments: Austin Energy electric bills, as of November, 2017, are reflecting increases in two pass-through charges. The Power Supply Adjustment increased by 7.1%. The Regulatory Charge increased by 1.4%. The dollar cost varies by each account.

Whatever happened to all those new police Interceptor Ford Explorers the City of Austin rejected after several police officers were taken off duty following suspected carbon monoxide exposure? This was a big deal – 439 Explorers were taken out of service – 397 were police vehicles, 42 were assigned to other city departments. Ford has taken responsibility, and after performing repairs, the SUVs are trickling back into usage on Austin streets – 44, so far.

It will be months before all SUVs are repaired and returned to Austin for checking and ultimate acceptance. **Ford is covering the cost of repairs.** The City of Austin has indicated “it will move forward with more diversity in the fleet.”

Most are aware that many luxurious homes dot Austin area lakesides -- specifically Lake Travis, Lake LBJ and Lake Austin. It's long been the case. But, a recent report reflects an amazing fact. First of all, there are 94 lakes in Texas that were examined recently by Lake Homes Realty LLC. Are you ready to understand the scope of what is happening here? Hang on. The three Austin area lakes are home to 47% of the states' lake homes priced at \$1 million or more (in some cases, much more). This is a phenomenal statistic in a state with a lot of lakes and a lot of well-to-do Texans.

The study was reported this week in the *Austin Business Journal (ABJ)*. Lake Homes Realty is based in Alabama and compiles extensive data on properties at more than 600 lakes in 14 states. So it has somewhat of a national perspective. **Its ranking places Lake Travis at #2, Lake LBJ at #7 and Lake Austin at #8.**

Of course, the size of the lake – the amount of shoreline – plays a large part in absorbing these high-dollar homes. **Lake Austin has about 24 miles of shoreline** between Mansfield Dam (holding back the waters of Lake Travis) downstream to Tom Miller Dam (where Lady Bird Lake begins).

Lake LBJ has about 200 miles of shoreline (in Llano and Burnet counties, between Kingsland and Horseshoe Bay). And the biggie, **Lake Travis has about 270 miles of shoreline** (in Travis and Burnet counties).

The most expensive properties are closer to downtown Austin. **Lake Austin has an average price of \$3.21 million. Lake Travis has an average price of \$1.61 million.** These prices, according to Lake Homes Realty, are among the most expensive in the country. For instance, New York's Lake Placid has an average price of \$1.44 million.

ABJ noted the report said “**the most expensive ZIP code for lake property in the state is Lake Austin's 78730 with an average price of \$7.9 million.**” This ZIP is directly upstream of Loop 360's Pennybacker Bridge on Lake Austin and includes the Riverplace subdivision.

What a weather week just ended! Here it is, rolling into December and we've had a week of spring-like, enjoy-being-outside weather. Such a deal! Cool nights, mild days, no rain -- oops, no rain, this could be a problem. Not a crisis, by any means. Just something about which you should be aware.

According to the Texas Water Development Board (TWDB), drought now covers 20% of the state. It was 15% a week ago, and only 2% three months ago. Not only that, **40% of the state is now abnormally dry and in danger of slipping into drought in the next few weeks.** The trend line is concerning.

TWDB reported this week most of Travis County is labelled “abnormally dry,” the *lowest* category of drought measurement. The Hill Country to the west of Austin (including the westernmost portion of Travis County) has been categorized by TWDB at the next level, as **“moderate drought.”** Only 3% of the state crept into the 3rd highest level, **“severe drought,”** – for portions of the northeast part of the state.

So far, not bad. Just something to watch. (By the way, there are two higher categories used by the TWDB, “extreme” and “exceptional,” and Texas is nowhere close to those serious situations as of this writing.)

Another bit of good news: even though drought is strengthening its grip on the Lone Star State, **storage in the state's water supply reservoirs remains above normal. This includes the Central Texas main reservoirs of Lakes Travis and Buchanan.** Speaking of reservoirs, the Central Texas area is moving closer to more reservoir relief. You'll recall the Lane City reservoir, though smaller than Travis and Buchanan, is nearing completion downstream on the Colorado River from Austin. **When completed, it will provide water for downstream water contract obligations, that previously have drawn-down lakes Travis and Buchanan.**

Dr. Louis Overholster, who sneezes his way through the Austin area winter cedar fever season, is fond of saying it doesn't rain or snow in the Austin area in the winter time, it pollens!

Sincerely,



Editor/Publisher