

Misc Topics

Lost Opportunities

SH45 South

TOMA

Property Tax Equity

Imagine Austin

Affordable Housing

Police Salaries, City Salaries

Travis County Inequity Study

Formula One

Mueller and Waller Creek - TIF's and PID's

Lost Opportunities

Nacogdoches Biomass Electrical Generating Plant

- - \$2.3 Billion purchase contract over 20 years for a plant not in use

Austin Business Journal Feb 14, 2013, 7:44am CST

An East Texas biomass power plant meant to produce renewable energy for [Austin Energy](#) customers is mostly sitting idle, despite a \$2.3 billion, 20-year energy contract the Austin City Council approved seven years ago. The contract calls for all output from the Nacogdoches Generating Facility — a 100-megawatt, wood-waste-fueled biomass power plant — that came online seven months ago. The plant's electricity is now too expensive to use but **Austin Energy still pays a fee to cover operating costs even while it sits mostly idle.**

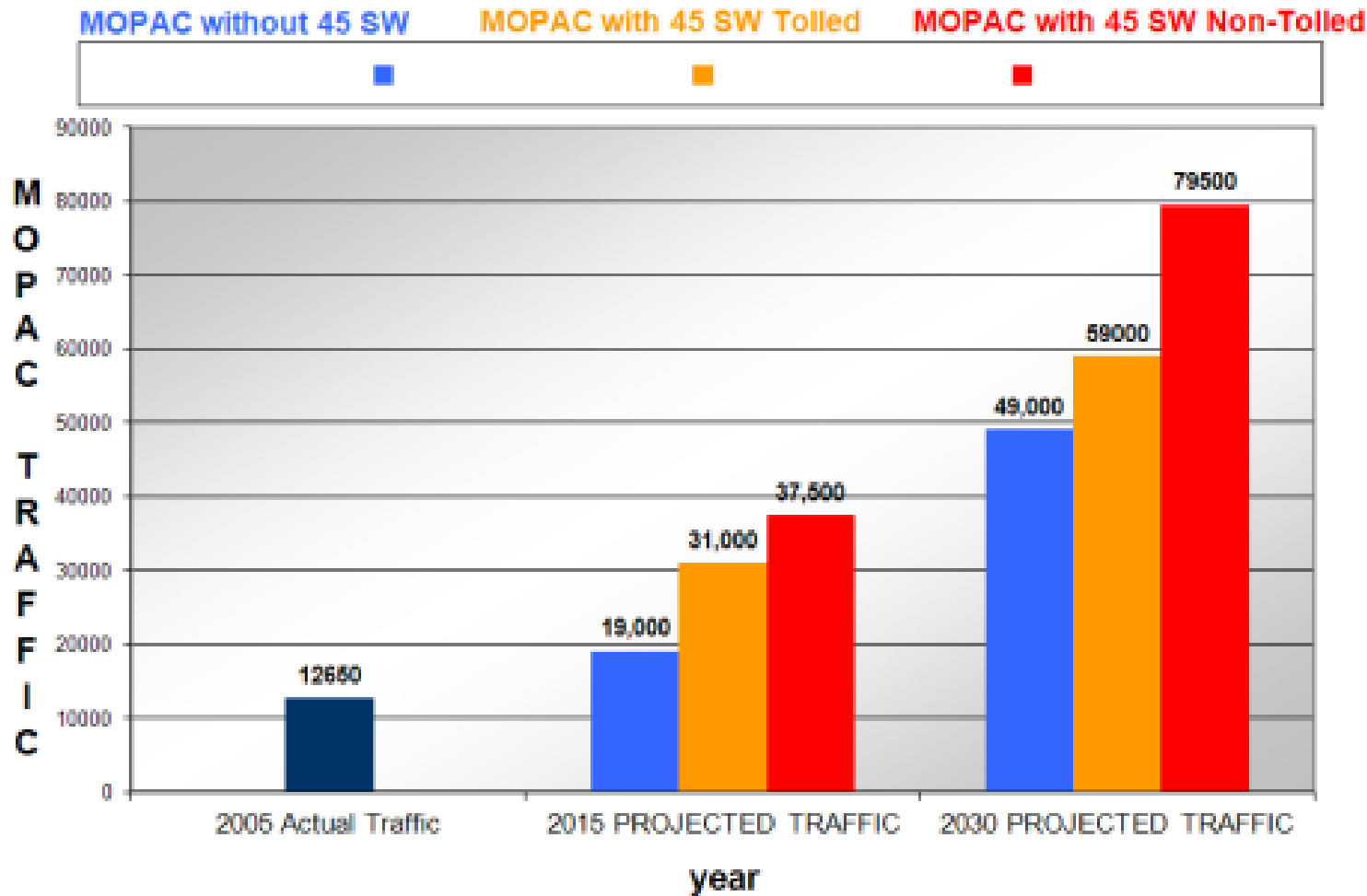
- Instead – AE should have spent the \$100 million a year in green collar energy conservation jobs

Lost Opportunities for Economic Development

Water Treatment Plant #4

- \$500 million for unneeded plant (\$1.1 billion with interest)

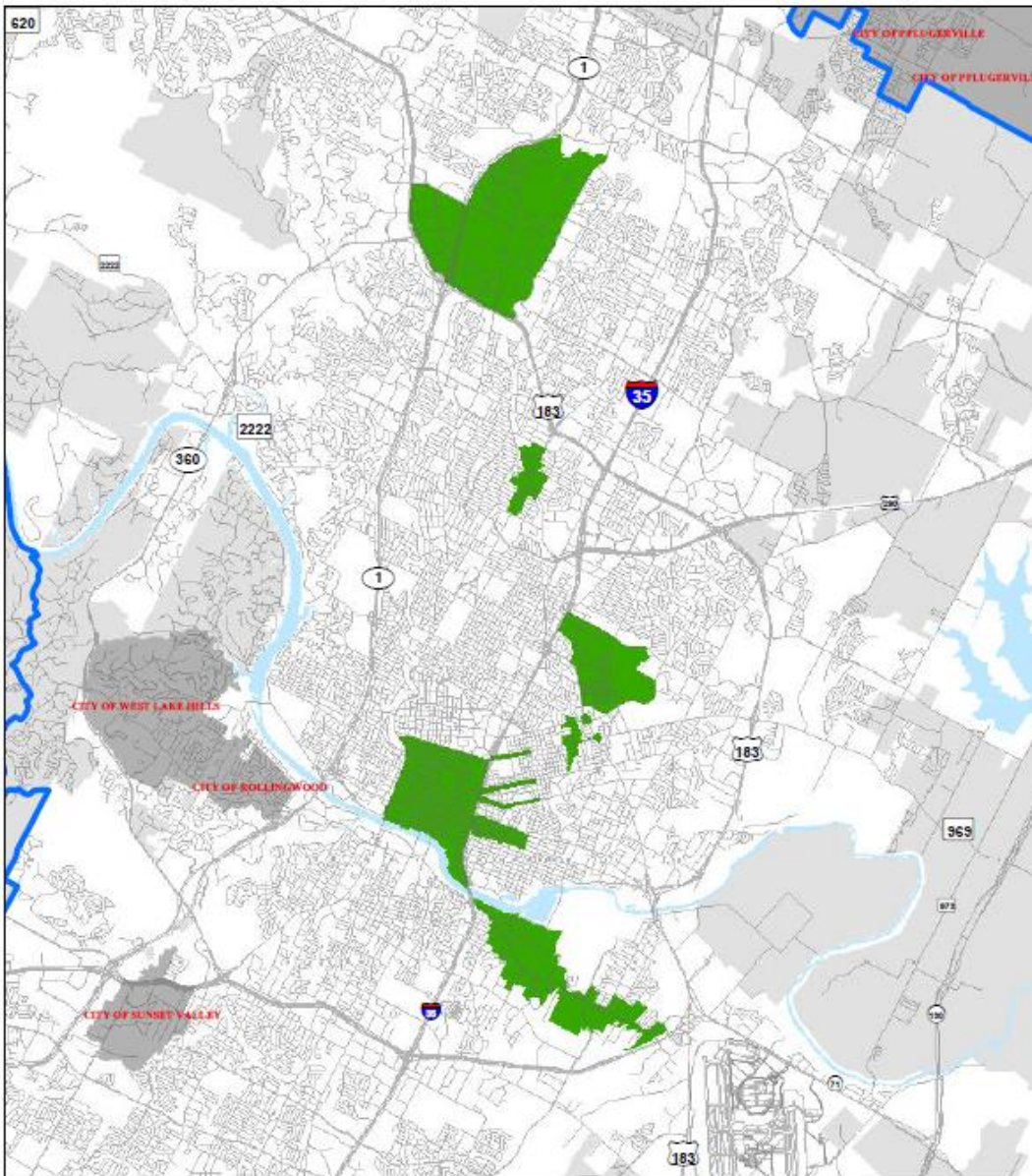
Instead – AWU spend the \$100 million a year in green collar water conservation jobs



Imagine 30,000 more cars and trucks on Mopac every day.

KeepMopacLocal.org

Imagine Mopac as Interstate 35 West – with all of the same problems of I-35.



Imagine Austin wants incentives for the areas already on fire with development!



Imagine Austin Incentive Areas



City of Austin
Austin Water Utility



Imagine Austin Incentive Areas

2/15/2013

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the Austin Water Utility for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.

TOMA – ask County Attorney to explain it to you all. Don't let staff tell you that you can't talk to each other. It's a lie to keep you all under their maximum influence!

City staff see council members as an inconvenience to be wired around....

Sale Price disclosure – Texas one of

TCAD needs commercial sales comparables to help determine value.

2 actions the City of Austin can take to improve TCAD accuracy in appraisals.

1. Projects which receive city incentives should be required to reveal sales prices

Mueller development land underappraised. Despite the COA and Catellus being “partners” at Mueller, the land held by Catellus is undervalued at TCAD with the city’s knowledge. See Exhibit 5.

Mueller Solution: The COA Mueller contract should have included sales price disclosure by all parcels governed by the contract, at least until the TIF is paid off. The Mueller contract should be modified. The city

2. Sales price disclosure is voluntary and buyers seldom respond to TCAD’s letter inquiry.

Solution: Encourage TCAD to send sales price disclosure request to the SELLER in addition to the BUYER. TCAD sends a request to the buyer of real property asking “how much did you pay?” The buyer typically declines to answer. Additionally, a letter inquiry to the seller should ask “how much did you sell it for?” The Seller has less reason to withhold the price. Sellers may be eager to “give up” the Buyer if the experience was less than rewarding.

RETREAT AT NORTH BLUFF (FORMERLY VILLAGE ON LITTLE TEXAS)

The acquisition and new construction of the 240-unit complex in South Austin offers rental opportunities for mixed income households. This development is expected to generate income for the City of Austin that can be reinvested into future affordable housing opportunities.



Development:	Retreat at North Bluff (Formerly Village on Little Texas)
Award Recipient:	Captivity Investments III
Development Profile:	Rental housing; acquisition and new construction.
Total Housing Units:	240
Investment Impact:	50 affordable units at 99 years
Affordability:	50% median family income or less
Location:	400 Block Little Texas Lane, Austin, TX 78745
Source of Funding:	General Obligation Bonds
Amount Awarded:	\$2,940,000
Date approved by AHFC Board:	June 18, 2009
Project Status:	Construction complete

Austin Contrarian

Chris Bradford on Austin, economics and other stuff

But, worse, this kind of tax break is really a shell game the city uses to screw AISD and the county out of their share of property taxes. Here's how it works: AHFC gets the property tax free. The taxes the property would have generated are instead added to the project's net return. AHFC gets one-third of these profits. So AHFC effectively has one-third of the property taxes returned to it. But the city is entitled to only 20% of the taxes generated by a piece of property; AISD, the County, ACC, etc. get the rest. Thus, by purchasing the property, AHFC essentially raises the city's share of the property tax from 20% to 33%. The rest of the county and AISD's share goes to the developer.

Critics rip plan to build housing

BYLINE: Eric Dexheimer AMERICAN-STATESMAN STAFF

DATE: June 9, 2009

PUBLICATION: Austin American-Statesman (TX)

EDITION: Final

SECTION: MAIN

PAGE: A01

In a deal that critics say sets a costly precedent, the City of Austin is poised to approve an aff would give millions of dollars in tax breaks and other incentives to a for-profit developer. In exch apartments would be priced for the city's poorer residents.

Supporters describe the **Village on Little Texas** as a creative response to Austin's acute sho

"This is one of the better affordable housing deals the city has ever done," said Anthony Snipes: "When you look at what the city is getting back, it's unprecedented."

Complicating the matter is that the project, to be built on 11 acres near Stassney Lane and Si is being developed by former partners of the city's director of Neighborhood Housing and Commr City officials said **Shaw** removed herself late last year from any decisions involving Captuity In by William Lee and William Skeen.

Before being named to the position in May 2008, **Shaw** teamed up with Lee and Skeen in 200- called the Boulevard. She did not respond to requests for an interview.

After postponing a vote on the project last month, the City Council is scheduled to consider it pushing for its approval, briefing council members and their aides individually.

Snipes said the **Village** is an innovative partnership that will guarantee Austin long-term afford city. Unlike other housing deals, he said, the city, through the Austin Housing Finance Corp., v apartment complex. It would receive \$10,000 annual lease payments and a percentage of the p

But critics say the city is giving away much more. The developers would collect \$3 million in ci Once constructed, the **Village** would also enjoy total exemption from property taxes. Various and project critics place the value of that tax break between \$300,000 and \$400,000 per year.

The taxpayer subsidies are too generous for the modest return in housing for the truly poor, sor that in exchange for paying no property taxes, only 50 of the 240 units in the development will l less a year, a figure that equates locally to 50 percent of median income.

The remaining 80 percent of the units would rent near or at market rates - and higher in some i nonprofit developer of affordable housing. Walter Moreau, executive director of Foundation Com complexes near the proposed **Village** site that received no tax breaks and found that several c for the new project. The **Village's** highest-priced two-bedroom apartments will rent for \$1,040 a

The result, he said, is that the **Village** would be Austin's first affordable housing project paying residents could end up paying the same rent as they would for nonsubsidized apartments.

"Three million dollars (in bond money) for 50 units ... that's maybe a **little** too much subsidy," said Frank Fernandez, executive director of Green Doors, which supports affordable housing and services for the homeless. "But then add on a tax exemption, and that's just too rich a deal."

The debate illustrates the conundrum faced by Austin and other cities with high housing costs struggling to provide affordable housing. A recent study commissioned by the city found that Austin was short nearly 40,000 rental units for its poorest residents - those below 30 percent of the median income.

Most affordable housing in this country is built by private companies. But such projects almost always require some public subsidy, typically in the form of income tax credits, publicly backed bonds and, less often, property tax breaks.

Precisely how much the government should give away is a point of hot contention. Fernandez, who was co-chairman of the city's Affordable Housing Incentives Task Force in 2006 and 2007, said members struggled to come up with a specific dollar figure that represented a fair subsidy for each unit of affordable housing built by a developer. In the end, he said, they failed.

There is even variation in what is meant by "affordable housing." The industry typically defines it as housing affordable to those who earn up to 80 percent of an area's median family income. In Austin, the median family income for a family of four is just over \$73,000, so "affordable" can mean apartments for families making as much as \$59,000 a year.

While such units may well be considered affordable in high-priced areas of Austin, they approach market rates in less affluent neighborhoods. As a result, many housing advocates prefer to use lower numbers when describing "affordable," such as 50 percent or even 30 percent of an area's median income. Advocates say that to be affordable, housing should cost no more than a third of tenants' income.

Such definitions are at the heart of the **Village on Little Texas** debate. The land would be purchased from Captuity by the Austin Housing Finance Corp., using \$2.94 million of the \$55 million bond package voters approved in 2006 to help finance affordable housing. As owner of the land, the city entity would pay no property taxes.

Captuity would build the complex with a loan from the U.S. Department of Housing and Urban Development. When completed, 32 of the **Village's** units would be rented at rates deemed affordable to tenants earning 50 percent or less of median family income; another 18 would be reserved for those earning 30 percent - \$22,000 - or less. The other 190 apartments would be priced for residents at the 80 percent income level.

Creatively financed projects such as the **Village** are needed if Austin is to close its affordable housing gap, said Francie Ferguson, board president of the nonprofit HousingWorks of Austin. "I don't think this automatically is a bad deal," she said.

Snipes pointed out that the financing has been approved by several outside auditors, and the city will reap rewards in other ways. If the complex is sold, for example, Austin would stand to collect a third of the sale price. And because the deal locks in the project's highest rents at 80 percent of median family income for decades, even if those rents are market rate now, they might eventually be priced below market in the future.

In his memo to council members, dated June 3, Snipes compared the **Village** with other city-subsidized affordable housing projects, 13 of which also pay no property taxes. Like the **Village**, six sit on land owned by the Housing Finance Corp.

But unlike the **Village**, Austin's other tax-exempt projects offer housing primarily to poorer residents and have few, if any, units with market-rate rentals. In exchange for a 100 percent tax break, Spring Terrace, developed by Moreau's Foundation Communities in 2005, rents all of its 140 apartments to tenants making 50 percent or less of the median family income, with most earning below 30 percent.

One tax-exempt property does contain some market-rate units. But 85 percent of the Villa on Sixth's 160 units are reserved for tenants at or below the 50 percent income level.

The **Village** also differs from other affordable housing deals the city has negotiated recently with for-profit companies. Both Stoneridge Apartments, on South Lamar Boulevard, and Sunnymead, in Southeast Austin, received city bond money in exchange for renting a percentage of their apartments to low-income residents. Neither, however, receives a property tax break.

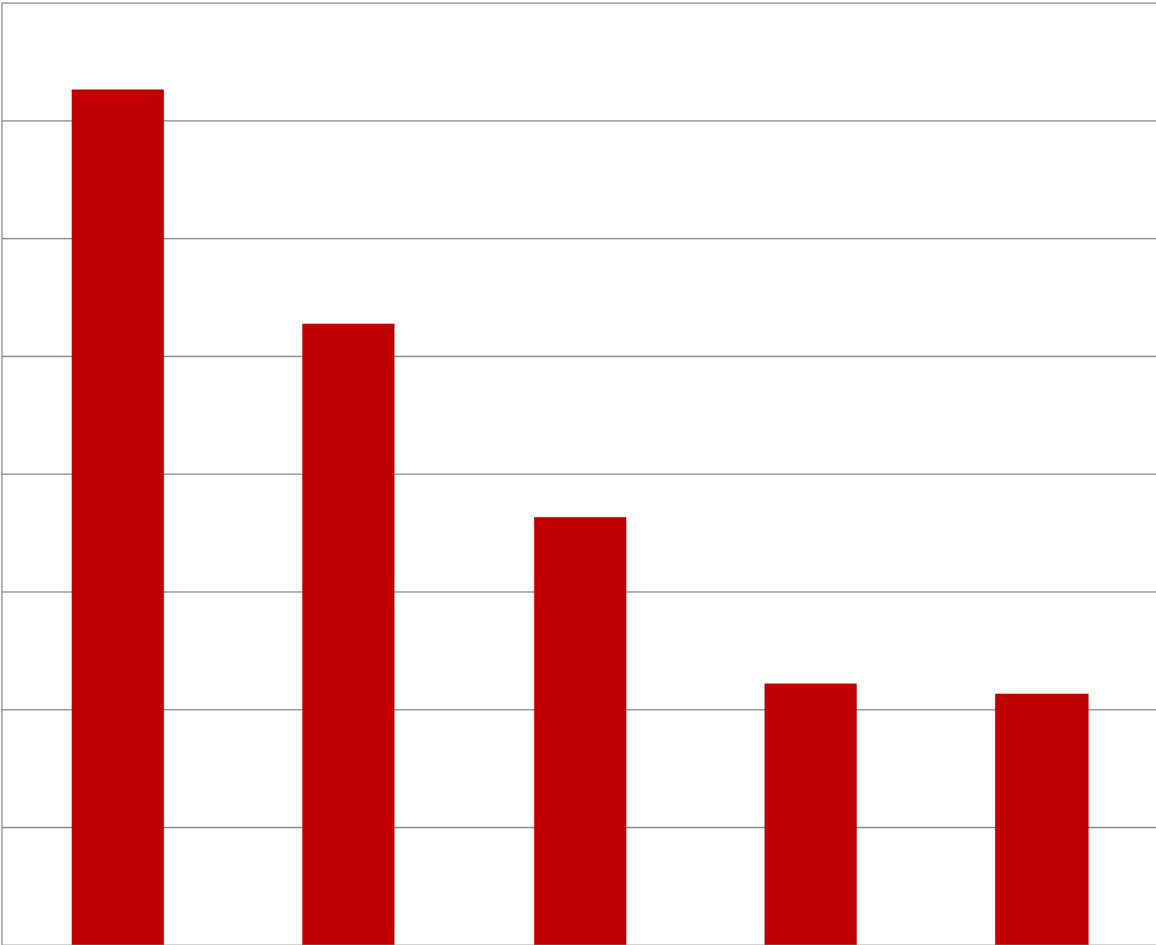
Fernandez said exempting the **Village** from property taxes could lead future developers to demand the same treatment.

"If the city is looking to create the Wild West of affordable housing using tax breaks, this would be the way to do it," Moreau said.

edexheimer@statesman.com; 445-1774

City Salaries over \$100,000 per year

400
350
300
250
200
150
100
50
-



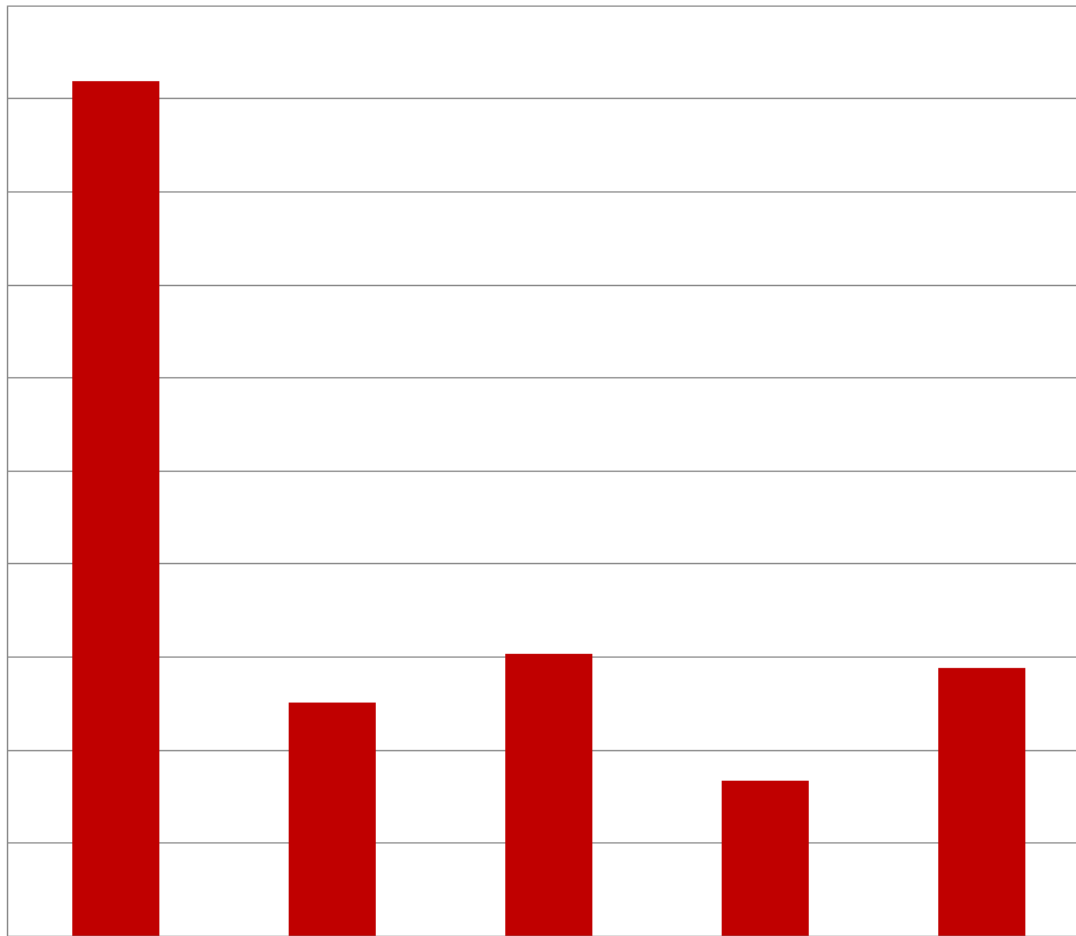
Data is 3 years old! It's worse now...

Number of Employees

Austin Houston Dallas San Antonio Ft Worth

City Workers over \$100,000 per 1,000 City Residents

0.50
0.45
0.40
0.35
0.30
0.25
0.20
0.15
0.10
0.05
-



Data is 3 years old!
It's worse now...

■ Staff per 1,000 Residents

Austin

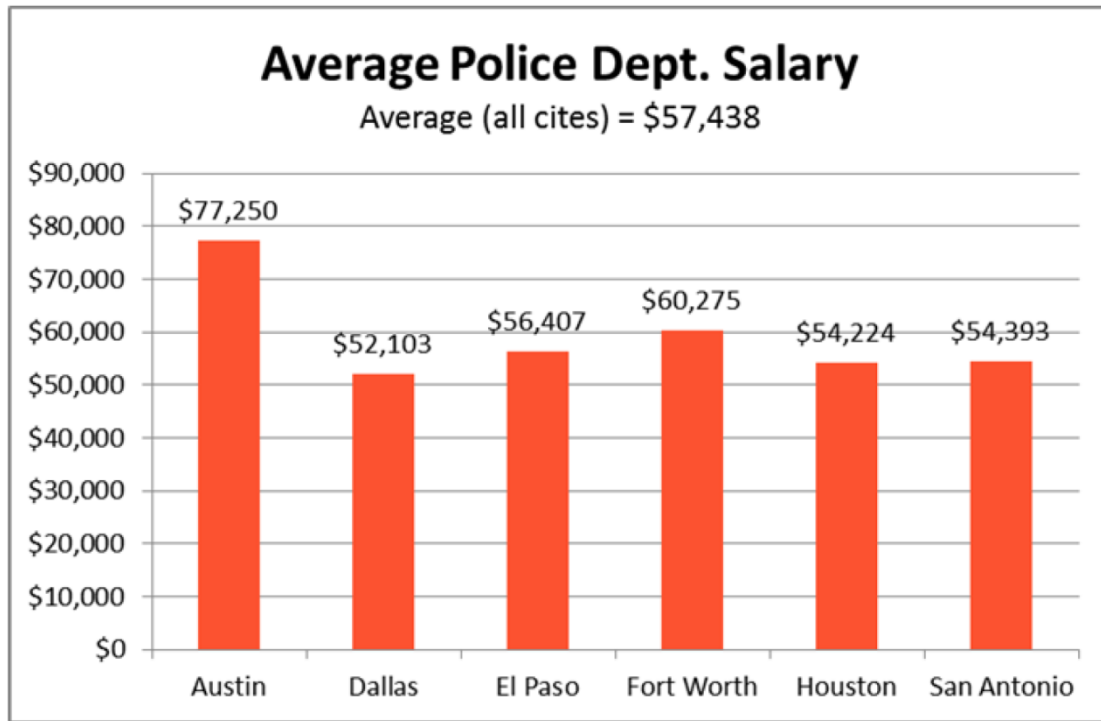
Houston

Dallas

San

Antonio

Ft Worth



Data is current.

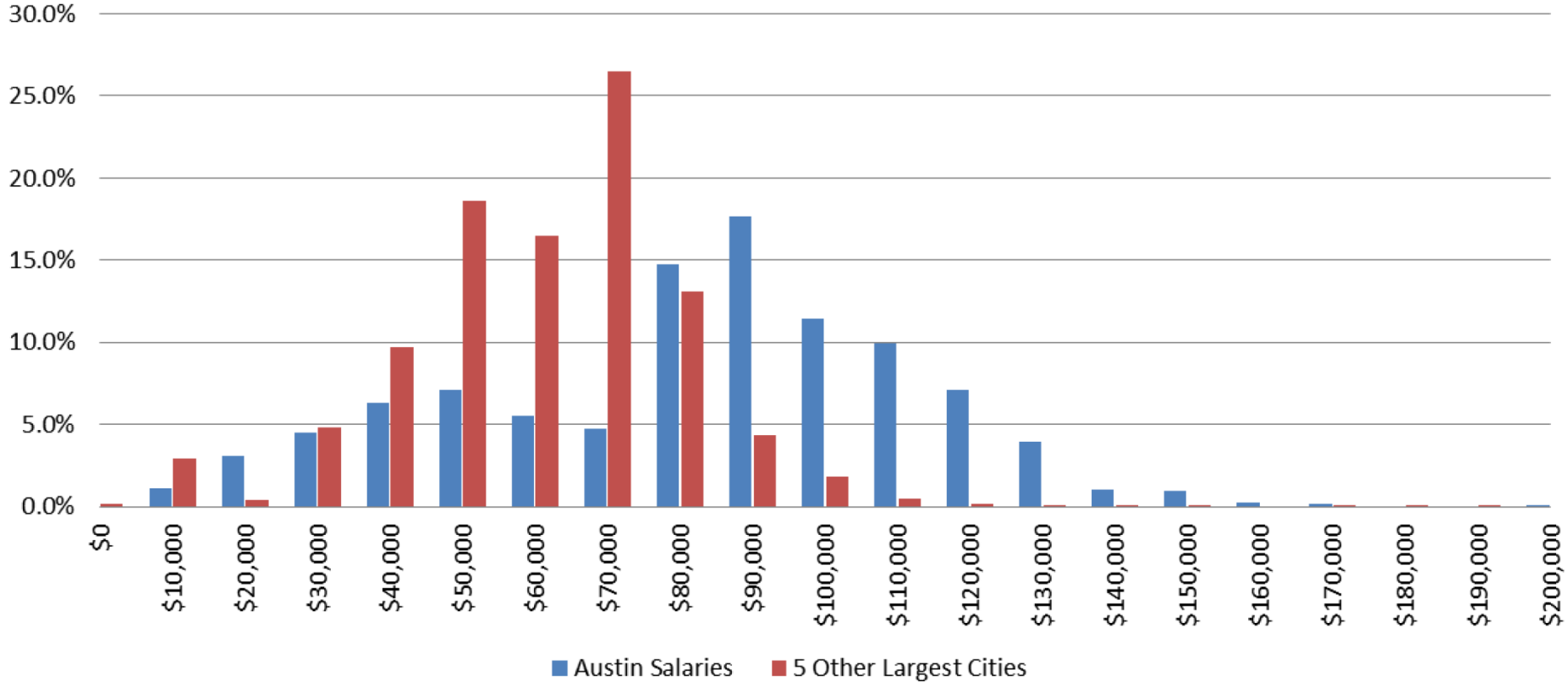
The Austin Police Department has many highly-paid employees, with 524 employees having salaries above \$100,000. This is far more than the five other cities combined, which have a total of only 191 employees earning more than \$100,000.

Police Dept. Salaries Over \$100,000

- Austin: 524
- Other 5 Cities Combined: 191

Police Dept. Salary Distribution Comparison

Austin compared to Other 5 TX Cities



Data is current.

Travis County Tax Inequity

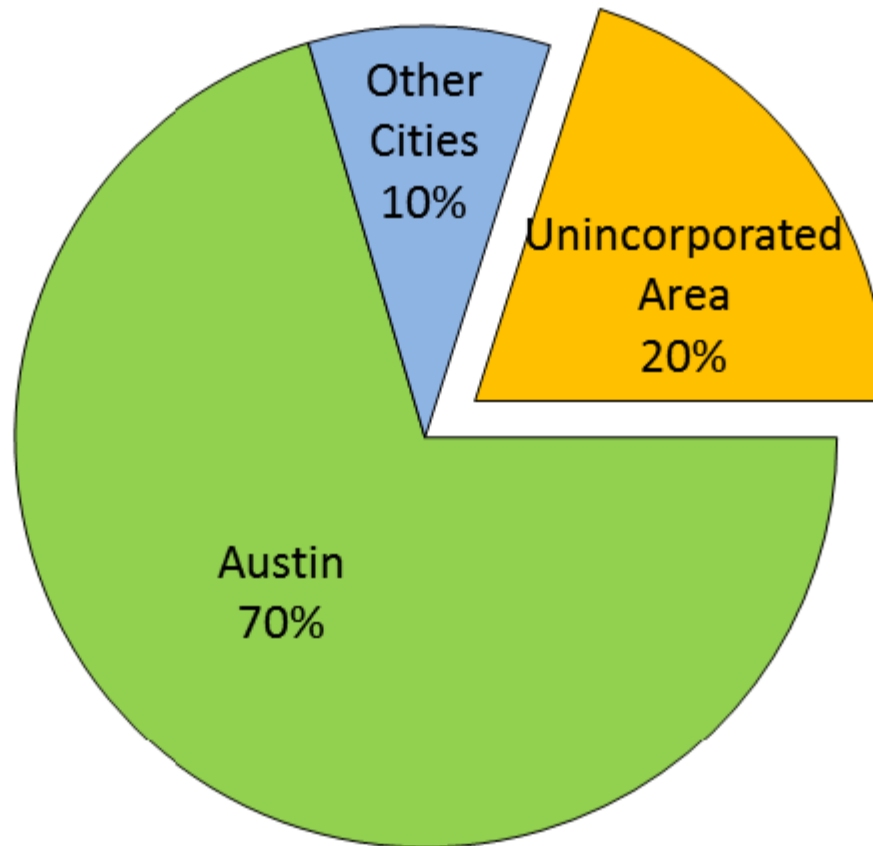
**This city road project
paid for by Travis County.**

**This city park project
paid for by Travis County tax
dollars.**

**These city streets patrolled
by Travis County Sheriff's Dept.**

Source of Travis County Property Tax Revenue

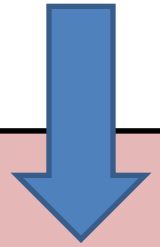
(FY 2010 Total Levy = \$422 milion)



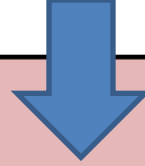
Tax Levy by Travis County, FY2010

Jurisdiction	Tax Levy Amount ¹	Percent of Total
<u>Incorporated Cities and Villages</u>		
Austin	\$297,019,372	70.43%
Bee Cave	\$3,485,771	0.83%
Cedar Park	\$331,975	0.08%
Creedmoor	\$121,892	0.03%
Jonestown	\$1,784,007	0.42%
Lago Vista	\$2,699,017	0.64%
Lakeway	\$8,988,643	2.13%
Leander	\$722,004	0.17%
Manor	\$855,170	0.20%
Mustang Ridge	\$195,511	0.05%
Pflugerville	\$9,667,539	2.29%
Rollingwood	\$1,694,727	0.40%
Round Rock	\$1,135,725	0.27%
Sunset Valley	\$0	0.00%
West Lake Hills	\$4,679,472	1.11%
Briarcliff	\$752,129	0.18%
Garfield	\$0	0.00%
Point Venture	\$592,637	0.14%
San Leanna	\$134,056	0.03%
The Hills	\$1,527,519	0.36%
Volente	\$584,091	0.14%
Webberville	\$53,882	0.01%
Total In Cities/Villages	\$337,025,137	79.91%
Unincorporated Area²	\$84,711,832	20.09%
Travis County (all)	\$421,736,969	100.00%

Sheriff's Department (Dept. #37) General Fund Programs



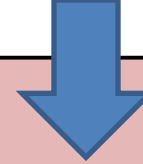
Div. #	Division Name	FY2010 Budget	Unincorporated Area Expenditure
5	Support Bureau-Public Safety	\$4,914,558	\$4,914,558
6	Support Bureau-Corr & Reh	\$8,768,563	
25	Law Enforcement Bureau	\$30,454,586	\$30,454,586
26	CTECC Security	\$851,799	
35	Corrections Bureau	\$58,286,817	
49	Medical Services	\$8,559,561	
50	Mental Health Unit	\$875,832	\$875,832
80	Central Booking	\$8,667,786	
90	Inmate Services	\$2,039,498	
Total		\$123,419,000	\$36,244,976



TNR Department General Fund Programs

Div. #	Division Name	FY2010 Budget	Unincorp. Area	Dept. Overhead	County Overhead
1	Common Management Function ¹	\$9,525,132		\$9,525,132	
5	Comprehensive Planning	\$305,099	\$305,099		
6	Safety Program	\$25,702		\$25,702	
8	Environmental Services	\$747,775	\$747,775		
9	Balcones Canyonlands Preservation	\$535,079			
11	Land Development Services	\$1,472,842	\$1,472,842		
15	Stormwater Management	\$579,478	\$579,478		
17	Onsite Sewage Facilities	\$663,280	\$663,280		
32	Bond Payment Payroll	\$209,197	\$209,197		
41	Road & Bridge Maintenance	\$1,375,337	\$1,375,337		
43	Sign Shop Services	\$48,310	\$48,310		
45	Park Services	\$7,178,722	\$7,178,722		
52	Fleet Services ²	\$3,459,923	\$778,483		\$2,681,440
85	Customer Services	\$304,781			
87	Child Safety Program	\$175,934			
91	Services To Other Governments	\$50,300			
96	Car Vehicle Central	\$6,000			
	Total	\$26,662,891	\$13,358,523	\$9,550,834	\$2,681,440
	Prorated Dept. Overhead ³		\$7,455,856		
	Grand Total:		\$20,814,379		

TNR Department General Fund Programs



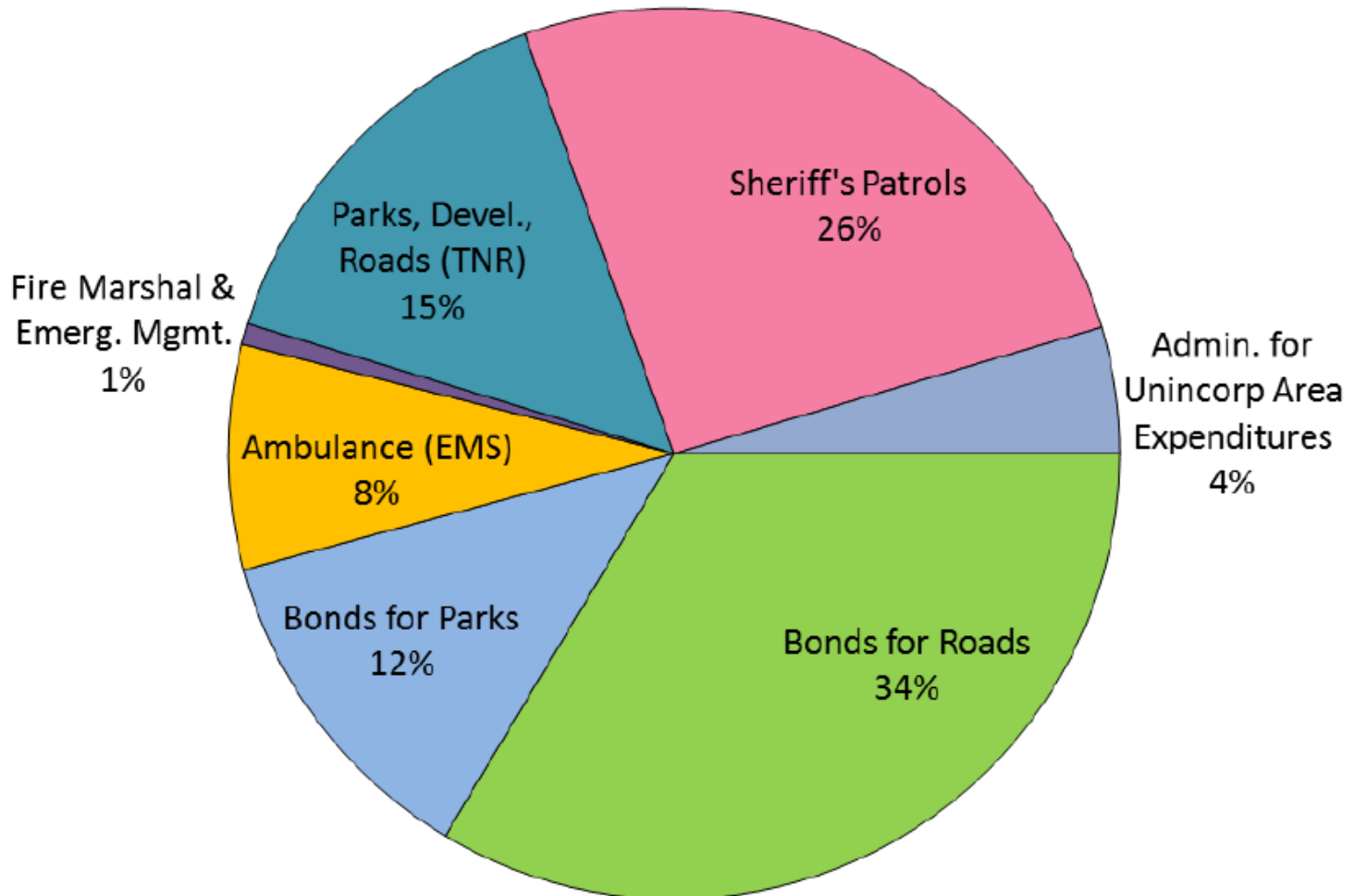
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85	Customer Services	\$304,781			
87	Child Safety Program	\$175,934			
91	Services To Other Governments	\$50,300			
96	Car Vehicle Central	\$6,000			
	Total	\$26,662,891	\$12,580,040	\$9,550,834	\$3,459,923
	Prorated Dept. Overhead ¹		\$7,021,358		
	Grand Total:		\$19,601,398		

1) Department overhead is allocated to department programs based on each program's budget as a percent of all non-overhead programs (Fleet Services is treated as non-overhead for the purposes of this calculation).

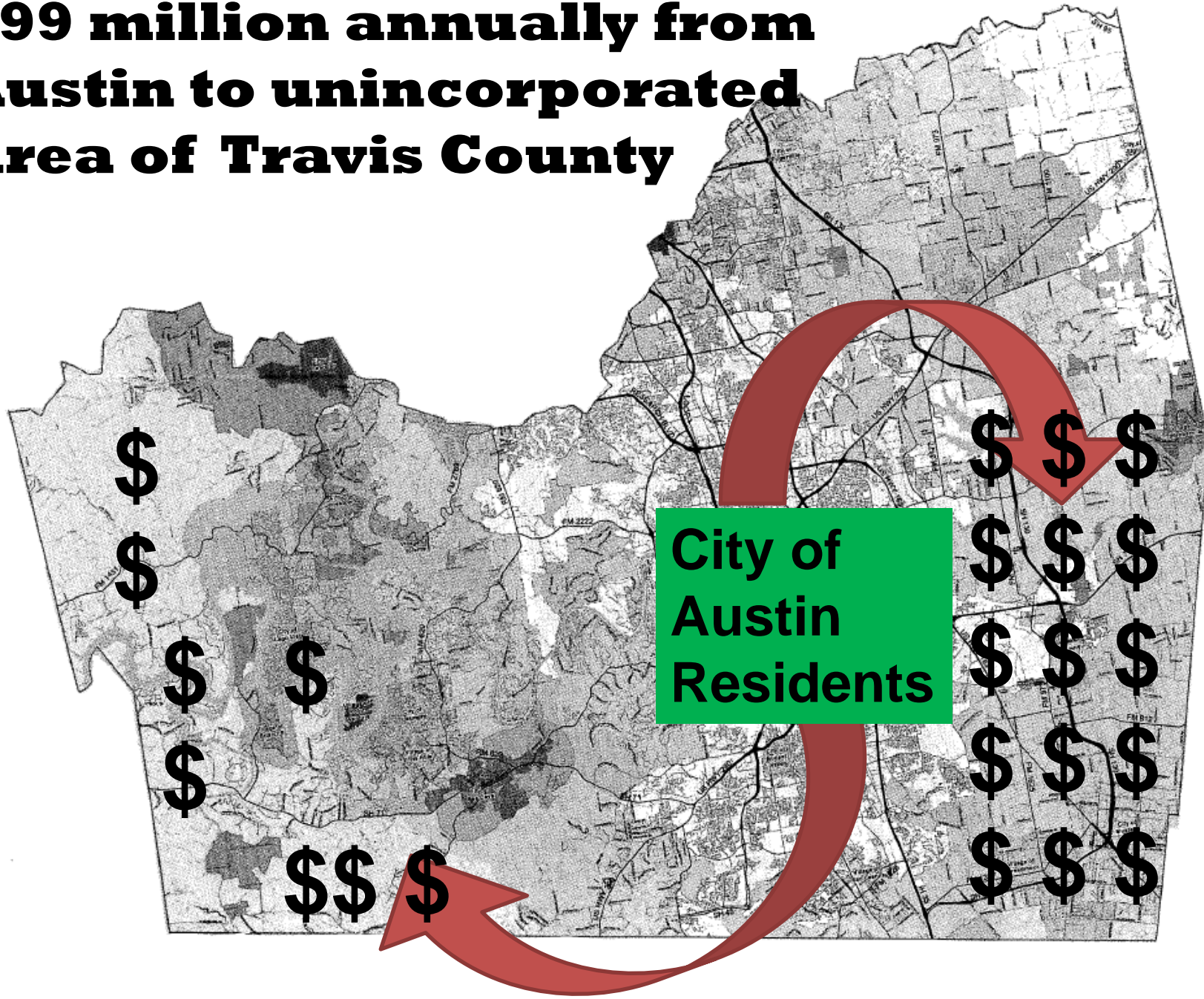
Summary of Expenditures Devoted to the Unincorporated Area of Travis County

FY2010

(Total = \$140.2 million)

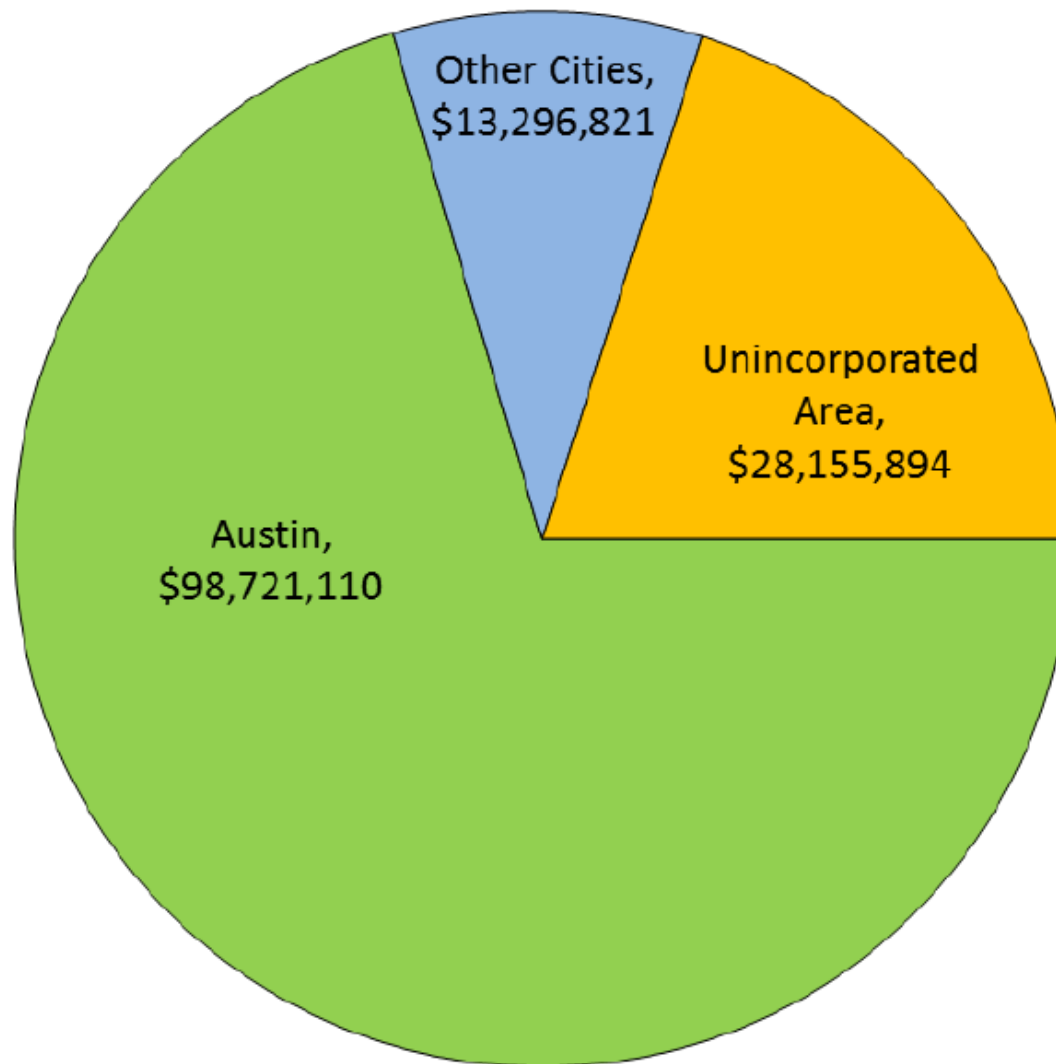


\$99 million annually from Austin to unincorporated area of Travis County



Who Pays for Expenditures Devoted to the Unincorporated Area of Travis County?

(Total = \$140.2 million)



“The boom, not the slump, is the right time for austerity at the Treasury.” So declared John Maynard Keynes in 1937

THE END
(Really!)