



City of Austin

# Austin City Council

## Minutes

For

SPECIAL CALLED MEETING

NOVEMBER 20, 1980

12:30 P.M.

Council Chambers, 301 West Second Street, Austin, Texas

### City Council

Carole Keeton McClellan  
Mayor

Council Members  
Lee Cooke  
Richard Goodman  
Betty Himmelblau  
Ron Mullen  
John Treviño, Jr.

Dan H. Davidson  
City Manager

Grace Monroe  
City Clerk

### Memorandum To:

Mayor McClellan called the meeting to order and noted that Mayor Pro Tem Trevino and Councilman Snell were absent.

Mayor McClellan stated that this was a Special Called Meeting for the purpose of hearing tax appeals. The Council then heard the following tax appeals:

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
C. L. Reeves Burnet Road 6.83 acres	Land Imps.	\$136,600 -0-	\$223,136 -0-	No Appeal	\$193,385 -0-
James P. Wallace Survey ID #2-4901-0130	Total	\$136,600	\$223,136		\$193,385
C. L. Reeves U.S. Hwy 183 North .14 acre	Land Imps.	\$ 6,098 -0-	\$ 10,672 -0-	No Appeal	\$ 3,964 -0-
James P. Wallace Survey ID #2-5002-0102	Total	\$ 6,098	\$ 10,672		\$ 3,964

Mr. Reeves stated that the two properties really were one piece of land. As of January 1, 1980, the property did not have sewer. A comparable property a few blocks away on Loop 360 had utilities and was valued at \$60,860 by the Tax Department. Based on the size of that property, Mr. Reeves said that his property was worth \$38,550. He thought that the \$233,000 valuation was totally unfair.

## TAX APPEALS - (Continued)

Mr. Klitgaard stated that there was a comparable piece of property closer to Mr. Reeves' property that was valued at 75¢/square foot.

Motion - Died For Lack of Second

Councilman Cooke moved the Council appraise the property at 50¢ per square foot for a total valuation of \$151,806 on the two pieces of land. The motion died for lack of a second.

Motion

The Council, on Councilwoman Himmelblau's motion, Councilman Mullen's second, set the valuation on the property at 65¢ per square foot for a total valuation on the two pieces of land of \$197,349. (5-0 Vote, Councilman Snell and Mayor Pro Tem Trevino absent)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Professional Contractors, Inc. By: C. L. Reeves 1900 E. Oltorf St. Lt 2-A Resub of Lts 2-A of the Resub of Lts 1-2 Parker Heights Sec 2-A ID #3-0705-0317	Land Imps.  Total	\$ 79,953 <u>85,000</u> \$164,953	\$127,924 <u>353,238</u> \$481,162	No Appeal	\$127,924 <u>353,238</u> \$481,162
C L R Development, Inc. 3-0705-0810 By: C. L. Reeves 1945 E. Oltorf St. Lt. 27 Less East 76 Ft Av Parker Heights Sec 4	Land Imps.  Total	\$ 6,789 <u>-0-</u> \$ 6,789	\$ 27,156 <u>-0-</u> \$ 27,156	No Appeal	\$ 10,000 <u>-0-</u> \$ 10,000
C L R Development, Inc. By: C. L. Reeves Burleson Road Tract A Resub of Parker Heights Sec 1A ID #3-0804-1301	Land Imps.  Total	\$ 65,820 <u>5,486</u> \$ 71,306	\$131,639 <u>5,421</u> \$137,060	No Appeal	\$131,639 <u>5,421</u> \$137,060

## TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
C L R Development, Inc. 3-0804-1501 By: C. L. Reeves 2427 Burleson Ct Lt 1 Parker Heights Sec 4	Land Imps.	\$22,198 -0-	\$54,786 -0-	No Appeal	\$37,500 -0-
	Total	\$22,198	\$54,786		\$37,500
C L R Development, Inc. 3-0804-1518 By: C. L. Reeves 2420 Burleson Ct Lt 25 Parker Heights Sec 4	Land Imps.	\$ 8,518 -0-	\$12,777 -0-	No Appeal	\$10,000 -0-
	Total	\$ 8,518	\$12,777		\$10,000
Professional Contractors, Inc. S Pleasant Valley Road .672 acre Santiago Del Valle Grant ID #3-1702-0710	Land Imps.	\$ 8,442 -0-	\$16,847 -0-	No Appeal	\$ 6,000 -0-
	Total	\$ 8,442	\$16,847		\$ 6,000
Professional Contractors, Inc. By: C. L. Reeves 4310 Bellvue Ave Lt 11 Less SW 15 x 26 Ft Bl 6 Alta Vista ID #2-2203-0611	Land Imps.	\$ 4,574 13,375	\$10,006 19,579	No Appeal	\$10,006 19,579
	Total	\$17,949	\$29,585		\$29,585

Mr. Reeves first discussed Case No. 3-0705-0317 by stating that he was only appealing the land valuation of \$127,924. He presented what he felt were comparables in the area. He thought that the land was worth no more than \$63,000.

Mr. Klitgaard showed other comparables in the area which were more than the \$2.00 per square foot valuation on Mr. Reeves' property.

Motion

The Council, on Councilman Cooke's motion, Councilwoman Himmelblau's second, upheld the Tax Department's valuation of \$2.00 per square foot for the land for a valuation of \$127,924. (4-0 Vote, Councilmen Snell and Mayor Pro Tem Trevino absent, Councilman Goodman out of the room at Roll Call)

## TAX APPEALS - (Continued)

Mr. Reeves next discussed Case No. 3-0705-0810 located at 1945 East Oltorf Street. The property was one half of a subdivided lot and as of January 1, 1980 did not have sewer. A building permit could not be obtained because the property had not been subdivided. Mr. Reeves thought that the property was worth \$7,500.

Mr. Reeves next discussed Case No. 3-0804-1301 located on Burleson Road. The property was the site of an old lumber yard, was subdivided and had been for sale but with no offers. Improvements were temporary and moveable. He thought that the property was worth no more than \$42,780.

The next case discussed by Mr. Reeves was Case No. 3-0804-1501 located across the street from the preceding case. The same situation existed on that case and Mr. Reeves felt that the property was worth no more than \$15,000.

The fourth case in that general area discussed by Mr. Reeves was Case No. 3-0804-1518 located at 2420 Burleson Court, with the same situation as the two preceding cases. Mr. Reeves thought that the property was worth no more than \$8,500.

Mr. Klitgaard presented comparables for each of the preceding cases and felt that the valuations were justified.

After further discussion among the Council, Mr. Reeves and Mr. Klitgaard, the following motions were made.

Motion

The Council, on Councilman Mullen's motion, Councilwoman Himmelblau's second, reduced the valuation on Case No. 3-0705-0810 to \$10,000. (4-0 Vote, Councilman Snell and Mayor Pro Tem Trevino absent, Councilman Goodman out of the room at roll call.)

Motion

The Council, on Councilman Cooke's motion, Councilwoman Himmelblau's second, upheld the Tax Department's valuation on Case No. 3-0804-1301 at \$137,060. (4-0 Vote, Councilman Snell and Mayor Pro Tem Trevino absent, Councilman Goodman out of the room at roll call)

Motion

The Council, on Councilman Cooke's motion, Councilwoman Himmelblau's second, set the valuation on Case No. 3-0804-1501 at \$37,500. (4-0 Vote, Councilman Snell and Mayor Pro Tem Trevino absent, Councilman Goodman out of the room at roll call)

Motion

The Council, on Councilman Cooke's motion, Councilman Mullen's second, set the valuation on Case No. 3-0804-1518 at \$10,000. (4-0 Vote, Councilman Snell and Mayor Pro Tem Trevino absent, Councilman Goodman out of the room at roll call)

## TAX APPEALS - (Continued)

Mr. Reeves next discussed Case No. 3-1702-0710 located on Pleasant Valley Road. He had bought the property in 1979 for \$3,000 for speculation. A zoning change request for "O" Office was denied by the Planning Commission, which had recommended Interim "A" Residence zoning. The property was a long, narrow tract which was not useable in its present condition. Mr. Reeves felt that the property was worth no more than \$3,000.

Mr. Klitgaard stated that the property was not worth anywhere near \$16,000, but did not particularly agree with Mr. Reeves' \$3,000 figure. He thought that the property was worth about \$5,000 to \$6,000.

Motion

The Council, on Councilman Mullen's motion, Councilman Cooke's second, set the valuation on Case No. 3-1702-0710 at \$6,000. (4-0 Vote, Councilman Snell and Mayor Pro Tem Trevino absent, Councilman Goodman out of the room at roll call)

Mr. Reeves next discussed Case No. 2-2203-0611 located at 4310 Bellvue Ave. The property was in an older neighborhood with a house that was over 50 years old which had been converted to a duplex on a substandard lot. Professional Contractors, Inc. had bought the house for \$20,000 in 1979. It was his opinion that as of January 1, 1980, the land was worth \$7,000 and the house \$13,000.

Mr. Klitgaard indicated to the Council the Tax Department's appraisal of the property and also said that vendor's lien notes on old houses in the area showed values of over \$30,000. Lot sales in the area showed valuations of over \$10,000.

Motion

The Council, on Councilman Mullen's motion, Councilwoman Himmelblau's second, upheld the valuation on Case No. 2-2203-0611 set by the Tax Department at \$29,585. (4-0 Vote, Councilman Snell and Mayor Pro Tem Trevino absent, Councilman Goodman out of the room at roll call)

## TAX APPEAL WITHDRAWN

Mayor McClellan announced that the following tax appeal had been withdrawn:

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Robert J. Swanson, et al	Land	\$ 56,354	\$ 78,895	No Appeal	
By: Daniel W. Nelson	Imps.	390,289	541,882		
1407 W North Loop Blvd	Total	\$446,643	\$620,777		
ID #2-2604-0358					

## TAX APPEALS - (Continued)

Ownership and Description		1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8205 ID #2-3515-0803	Land Imps.  Total	\$ 3,682 <u>42,798</u> \$46,480	\$ 5,020 <u>61,003</u> \$66,023	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8207 ID #2-3515-0804	Land Imps.  Total	\$ 3,682 <u>42,798</u> \$46,480	\$ 5,020 <u>61,003</u> \$66,023	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8209 ID #2-3515-0805	Land Imps.  Total	\$ 3,682 <u>42,798</u> \$46,480	\$ 5,020 <u>61,003</u> \$66,023	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8210 ID #2-3515-0713	Land Imps.  Total	\$ 3,960 <u>40,496</u> \$44,456	\$ 5,400 <u>54,660</u> \$60,060	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8211 ID #2-3515-0806	Land Imps.  Total	\$ 3,862 <u>41,868</u> \$45,550	\$ 5,020 <u>60,318</u> \$65,338	No Appeal	
C. L. Reeves By: Thomas Hedrick S. Rayburn Drive 8212 ID #2-3515-0712	Land Imps.  Total	\$ 4,290 <u>41,013</u> \$45,303	\$ 5,850 <u>55,166</u> \$61,016	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8213 ID #2-3515-0807	Land Imps.  Total	\$ 3,682 <u>41,868</u> \$45,550	\$ 5,020 <u>60,318</u> \$65,338	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8215 ID #2-3515-0808	Land Imps.  Total	\$ 3,682 <u>41,868</u> \$45,550	\$ 5,020 <u>60,318</u> \$65,338	No Appeal	

## TAX APPEALS - (Continued)

Ownership and Description		1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8217 ID #2-3515-0809	Land Imps. Total	\$ 3,682 <u>41,868</u> \$45,550	\$ 5,020 <u>60,318</u> \$65,338	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8219 ID #2-3515-0810	Land Imps. Total	\$ 3,682 <u>41,868</u> \$45,550	\$ 5,020 <u>60,318</u> \$65,338	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8221 ID #2-3515-0811	Land Imps. Total	\$ 3,682 <u>41,868</u> \$45,550	\$ 5,020 <u>60,318</u> \$65,338	No Appeal	
C. L. Reeves By: Thomas Hedrick S Rayburn Drive 8223 ID #2-3515-0814	Land Imps. Total	\$ 9,105 <u>153,927</u> \$163,032	\$ 12,416 <u>217,618</u> \$230,034	No Appeal	

Ms. Susan Mathis, representing Mr. Thomas Hedrick, cited several problems with the subject property, including foundation problems. She asked the Council to reduce the valuation on the 12 lots by 10%.

Mr. Klitgaard stated that the Tax Department had recommended a 10% allowance on the apartment complex to the Board of Equalization because of extensive damage. He thought that some maintenance may have been deferred on the properties.

After further discussion of the condition of the properties, Mr. Klitgaard requested that the appeal be postponed until December 4th so that the Tax Department could look at the properties again. The Council rescheduled the appeal for 3:00 p.m., December 4, 1980.

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Dinerstein Company By: James B. Archer 2819 Foster Lane ID #2-3904-0101	Land Imps. Total	\$657,936 <u>125,000</u> \$782,936	\$ 877,248 <u>4,311,717</u> \$5,188,965	\$ 877,248 <u>4,311,717</u> \$5,188,965	\$ 877,648 <u>4,311,717</u> \$5,188,965

## TAX APPEALS - (Continued)

Ownership and Description		1979	1980	Disposition by Board	Disposition by City Council
		Appraised Value 100%	Appraised Value 100%		
Dinerstein Company	Land	\$130,680	\$163,350	\$163,350	\$163,350
By: James B. Archer	Imps.	22,703	26,470	20,309	17,112
I H 35 N 3 acres	Total	\$153,383	\$189,820	\$183,659	\$180,462
J. P. Wallace Survey					
ID #2-3516-0407					

Mr. Archer first discussed the Northcross Apartments. The land was bought in July, 1978 for \$659,260 and the improvements were completed on June 30, 1979 at a cost of \$3,654,250. He felt that the valuation should be no higher than those figures. The Tax Department had increased the valuation by 33%.

Mr. Klitgaard cited comparables in the area, each of which was higher than the \$2.00 per square foot valuation on the property. He felt that the 33% increase was justified in that area. He stated that if exposed to the market, the property would readily command the price placed on it by the Tax Department.

Mr. Archer agreed that the property had increased in value, but felt that the Tax Department increase was too high.

Motion

The Council, on Councilman Cooke's motion, Mayor Pro Tem Trevino's second, upheld the valuation set by the Tax Department. (4-0 Vote, Councilman Snell absent, Councilwoman Himmelblau and Councilman Goodman out of the room at roll call)

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Mr. Archer next discussed the three acres of land on North I H 35 by stating that he was appealing the improvements. The building on the property had been used as a construction shack during the building of some adjacent apartments. He stated that the building was not being used now and asked that the valuation be lowered.

Mr. Klitgaard stated that the Tax Department had agreed with a 20% salvage value for the building, but had checked the property and found that the building was being used as a field office. The Board of Equalization had earlier granted a reduction in valuation, but reversed itself after the new information was called to their attention by the Tax Department.

Motion

The Council, on Councilman Mullen's motion, Councilman Cooke's second, set the valuation on the improvements at \$17,112. (4-0 Vote, Councilman Snell absent, Councilwoman Himmelblau and Councilman Goodman absent)



## TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Evergreen Management Company By: James B. Archer 7300 Duval Street ID #2-3114-0948	Land	\$142,980	\$200,172	\$200,172	\$200,172
	Imps.	450,853	763,970	763,970	763,970
	Total	<u>\$593,833</u>	<u>\$964,142</u>	<u>\$964,142</u>	<u>\$964,142</u>
Evergreen Management Company By: James B. Archer 5506 Grover Avenue ID #2-2705-0411	Land	\$105,034	\$126,041	\$126,041	\$126,041
	Imps.	379,741	661,052	661,052	661,052
	Total	<u>\$484,775</u>	<u>\$787,093</u>	<u>\$787,093</u>	<u>\$787,093</u>
Evergreen Management Company By: James B. Archer 7200 Duval Street ID #2-3114-0947	Land	\$103,635	\$138,180	\$138,180	\$138,180
	Imps.	472,733	781,259	781,259	781,259
	Total	<u>\$576,368</u>	<u>\$919,439</u>	<u>\$919,439</u>	<u>\$919,439</u>

Mr. Archer said that the three properties were the Brittany, French Colony and Posada Del Norte Apartments. The first two properties were purchased for \$1.5 million in July, 1978. Under the income approach and using a net operating income and a capitalization rate of 11% a value of \$997,781 would be obtained. Using an 8% rate would indicate a value of \$1,371,949. He asked that the taxes be reduced from a 30-40% increase to a 19% increase.

Mr. Klitgaard stated that the present valuation on the properties was well within the range of increases for real estate in that period of time. Income approach was a viable approach to value, but his information was supposed to come from the market place. The apartment industry in Austin had just about recovered from earlier setbacks, which was one of the reasons for substantial increases in valuations. The Tax Department was simply removing a temporary discount. He felt that the values were appropriate for the three properties.

Mr. Archer felt that a 40% increase was unrealistic.

Motion

The Council, on Councilman Mullen's motion, Councilman Cooke's second, upheld the valuations set by the Tax Department. (5-0 Vote, Councilman Snell absent, Councilwoman Himmelblau out of the room at roll call)

## TAX APPEALS - (Continued)

Ownership and Description		1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Nash Phillips & Clyde Copus, Jr. By: James B. Archer 5005 Manor Road ID #2-1718-0520	Land	\$ 63,140	\$ 67,997	\$ 67,997	\$ 67,997
	Imps.	475,292	662,616	662,616	613,895
	Total	\$538,432	\$730,613	\$730,613	\$681,892

Mr. Archer next discussed Chateau Trianon which he said had a high vacancy rate, possibly due to its proximity to the Airport. He asked for a reduction in the valuation.

Mr. Klitgaard responded that he did not disagree with the appellant. However, the Tax Department had allowed a 15% adjustment on the property, and he felt that that amount was adequate.

Motion

The Council, on Councilman Mullen's motion, Councilman Cooke's second, set the valuation on the improvements at \$613,895. (4-0 Vote, Councilman Snell absent, Mayor McClellan and Councilwoman Himmelblau out of the room at roll call)

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ITEM NOT APPEALED

The following tax valuation was not appealed.

Barcelona Apartments By: James B. Archer 2201 Elmont Drive ID #3-0407-0504	Land	\$ 108,138	\$ 138,176	\$ 138,176	\$ 138,176
	Imps.	1,022,042	1,409,789	1,241,957	1,241,957
	Total	\$1,130,180	\$1,547,965	\$1,380,133	\$1,380,133

W. C. Weed Properties By: James B. Archer 7304 Twin Crest Dr. ID #2-3114-0814	Land	\$ 25,339	\$ 35,474	\$ 35,474	\$ 35,474
	Imps.	147,571	204,566	204,566	204,566
	Total	\$172,910	\$240,040	\$240,040	\$240,040

Mr. Archer stated that the property was the El Mirada Apartments and that again the appeal was based on the income approach. Councilman Mullen stated that her would vote against any appeal based on the income approach.

Motion

The Council, on Councilman Mullen's motion, Councilman Cooke's second, upheld the Board of Equalization's decision. (4-0 Vote, Councilman Snell absent, Mayor McClellan and Councilwoman Himmelblau out of the room at roll call)

## TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Greenwoods	Land	\$ 406,937	\$ 488,325	\$ 488,325	\$ 488,325
Joint Venture	Imps.	1,799,151	3,284,936	3,284,936	3,098,292
By: James B. Archer	Total	\$2,206,088	\$3,773,261	\$3,773,261	\$3,586,617
1666 Rutland Drive					
ID #2-4412-0438					

Mr. Archer stated that the Greenwoods Apartments had only a 65% occupancy rate and were still in the process of recovering from mismanagement. There was a minus net operating income.

Mr. Klitgaard responded that he believed that the area was recovering and that he did not feel that a reduction was justified.

Motion - Failed

Councilman Cooke moved the Council uphold the decision of the Board of Equalization. The motion FAILED to carry by a 3-1 vote, Councilman Mullen voting No, Councilman Snell absent and Mayor McClellan and Councilwoman Himmelblau out of the room at roll call)

Motion

The Council, on Councilman Mullen's motion, Councilman Goodman's second, granted a 5% discount on the improvements for a valuation of \$3,586,617. (4-0 Vote, Councilman Snell absent, Mayor McClellan and Councilwoman Himmelblau out of the room at roll call)

Delta Investments	Land	\$ 7,653	\$13,776	\$13,776	\$13,776
By: James B. Archer	Imps.	27,355	35,847	35,847	35,847
8600 Research Blvd.	Total	\$35,008	\$49,623	\$49,623	\$49,623
ID #2-4110-0325					

Delta Investments	Land	\$12,130	\$21,833	\$21,833	\$21,833
By: James B. Archer	Imps.	27,355	35,847	35,847	35,847
8600 Research Blvd.	Total	\$39,485	\$57,680	\$57,680	\$57,680
ID #2-4110-0326					

Delta Investments	Land	\$ 39,608	\$ 71,294	\$ 71,294	\$ 71,294
By: James B. Archer	Imps.	107,659	141,688	141,688	141,688
8600 Research Blvd.	Total	\$147,267	\$212,982	\$212,982	\$212,982
ID #2-4110-0327					

## TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Delta Investments	Land	\$ 55,350	\$ 92,250	\$ 92,250	\$ 92,250
By: James B. Archer	Imps.	163,347	227,516	227,516	227,516
8600 Research Blvd.	Total	<u>\$218,697</u>	<u>\$319,766</u>	<u>\$319,766</u>	<u>\$319,766</u>
ID #2-4110-0328					
Delta Investments	Land	\$ 86,430	\$144,050	No Appeal	\$144,050
By: James B. Archer	Imps.	249,623	332,934		332,934
8600 Research Blvd.	Total	<u>\$336,053</u>	<u>\$476,984</u>		<u>\$476,984</u>
ID #2-4110-0332					

Mr. Archer stated that the preceding five accounts all applied to one apartment project. The fifth item inadvertently was not appealed to the Board of Equalization. The apartments had a bad vacancy rate and low income.

Motion

The Council, on Councilman Cooke's motion, Councilman Mullen's second, upheld the valuations set by the Tax Department on the five accounts of Delta Investments. (4-0 Vote, by unanimous consent, Councilman Snell absent, Mayor McClellan and Councilwoman Himmelblau out of the room at roll call)

Normandy Associates, Ltd.	Land	\$109,160	\$174,656	\$174,656	\$174,656
By: James B. Archer	Imps.	409,857	653,287	653,287	653,287
2500 Steck Avenue	Total	<u>\$519,017</u>	<u>\$827,943</u>	<u>\$827,943</u>	<u>\$827,943</u>
ID #2-4106-0819					

Mr. Archer stated that the appeal was on the Normandy Apartments. He felt that using the income approach that the increase was too high.

Mr. Klitgaard stated that he thought that the increase was about normal for apartments. The property was well-located and he did not feel that further adjustments were justified.

Motion

The Council, on Councilwoman Himmelblau's motion, Councilman Goodman's second, upheld the valuation placed on the property by the Tax Department. (4-0 Vote, by unanimous consent, Councilman Snell absent, Councilmen Cooke and Mullen out of the room at roll call)

## TAX APPEALS - (Continued)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition by Board	Disposition by City Council
Oak Creek Associates By: James B. Archer 1507 Houston Street ID #2-2705-0522	Land Imps. Total	\$ 97,594 466,359 \$563,953	\$136,631 648,759 \$785,390	\$136,631 648,759 \$785,759	\$136,631 648,759 \$785,390
Oak Creek Associates By: James B. Archer 5310 Joe Sayers Ave. ID #2-2705-0523	Land Imps. Total	\$ 75,264 404,621 \$479,885	\$105,369 562,755 \$668,124	\$105,369 562,755 \$668,124	\$105,369 562,755 \$668,124

Mr. Archer stated that the two pieces of property consisted of 90 units of apartments. Using the income approach, Mr. Archer felt that the property should be assessed lower.

Mr. Klitgaard stated that there were some problems with the apartments, but that the Tax Department had allowed an extra 5% decrease in its assessment. He reminded the Council that this was the first year that valuations on apartments had been pushed up.

Motion

The Council, on Councilman Goodman's motion, Councilman Cooke's second, upheld the Board of Equalization. (5-0 Vote, by unanimous consent, Councilman Snell absent, Councilman Mullen out of the room at roll call)

Spanish Trace Associates By: James B. Archer ID #2-2817-1510 1212 Westheimer	Land Imps. Total	\$112,567 696,482 \$809,049	\$ 120,071 1,230,085 \$1,350,156	\$ 120,071 1,230,085 \$1,350,156	\$ 120,071 1,230,085 \$1,350,156
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Mr. Archer stated that the Spanish Trace Apartments consisted of 100 units and were purchased in November, 1978 for \$1,025,000. Based on the capitalization rate, the property was worth \$1,001,270, which was close to the purchase price. The tax increase from 1979 to 1980 was 44%. He felt that a 30% to 35% increase was more realistic.

Mr. Klitgaard stated that a 15% depreciation adjustment had been allowed on the property. He felt that the 44% increase was justified.

## TAX APPEALS - (Continued)

Motion

The Council, on Councilman Goodman's motion, Mayor Pro Tem Trevino's second, upheld the Board of Equalization. (4-0 Vote, by unanimous consent, Councilman Snell absent, Councilwoman Himmelblau and Councilman Mullen out of the room at roll call)

Ownership and Description	Property	1979 Appraised Value 100%	1980 Appraised Value 100%	Disposition of Board	Disposition of City Council
Spanish Villa	Land	\$ 177,636	\$ 266,454	\$ 266,454	\$ 266,454
Associates	Imps.	923,199	1,249,035	1,249,035	1,249,035
By: James B. Archer	Total	\$1,100,835	\$1,515,489	\$1,515,489	\$1,515,489
901 Reinli Street					
ID #2-2512-0401					

Mr. Archer felt that the industry had not fully recovered and stated that based on the income approach, he felt that the assessment on the apartments was too high.

Mr. Klitgaard responded that he did not see sales coming through for extremely low prices as they had sold for previously, nor did he see the mass of foreclosures that occurred in the mid '70s for the industry. There would always be an exception, but he did not think that the area in question had a problem. He thought that the values were appropriate for the subject property.

Motion

The Council, on Councilman Cooke's motion, Mayor Pro Tem Trevino's second, upheld the Board of Equalization. (4-0 Vote, Councilman Snell absent, Councilman Goodman and Councilwoman Himmelblau out of the room at roll call)

Joseph G. Rountree, IV					
4906 Westfield Drive	Land	\$ 5,534	\$10,980	\$10,980	\$ 6,980
ID #1-2800-0110	Imps.	22,499	33,890	33,890	33,890
	Total	\$28,033	\$44,870	\$44,870	\$40,870

Mr. Rountree stated that he was appealing the parcel in behalf of his son. The valuation had increased \$16,837 from last year for a 60% increase. The property abutted MoPac Boulevard and a 345 KV transmission line had been constructed behind the house. He stated that increasing traffic on MoPac would diminish the value of the property. He asked that the valuation be decreased.

## TAX APPEALS - (Continued)

Mr. Klitgaard stated that the Tax Department was aware of the conditions pointed out by Mr. Rountree. However, value influences were measured in the marketplace. A number of sales had occurred in the area, and a unit value of \$125 per front foot had been established to measure land values. He felt that all of the value influences affecting the property had been considered, particularly the prices people were willing to pay for property in the area.

After further discussion, the following motions were offered:

Motion

Councilman Cooke moved the Council reduce the valuation by \$2,000 for a total valuation of \$42,870. Mayor McClellan seconded the motion.

Substitute Motion

Mayor Pro Tem Trevino offered a substitute motion that the Council reduce the valuation by \$4,000 for a total valuation of \$40,870. The motion, seconded by Councilman Goodman, carried by a 5-0 vote, Councilman Snell absent, Councilwoman Himmelblau out of the room at roll call.

Ownership and Description	Property	1979	1980	Disposition by Board	Disposition by City Council
		Appraised Value 100%	Appraised Value 100%		
J. G. Rountree	Land	\$ 5,906	\$10,547	\$10,547	\$10,351
4905 Westfield Drive	Imps.	26,551	37,601	37,601	35,389
ID #1-2800-0523	Total	\$32,457	\$48,148	\$48,148	\$45,740

Mr. Rountree stated that the property was bought 1972 for \$27,000. In 1979 the property was valued at \$32,457. The proposed 1980 valuation was a 48.3% increase over the 1979 valuation. He did not recognize as valid comparison of his home with other more expensive homes of that area.

Mr. Klitgaard felt that the marketplace adequately justified the value placed on the property. If exposed to the market, the house would command the valuation placed on it by the Tax Department.

Motion

The Council, on Councilman Goodman's motion, Councilman Cooke's second, reduced the valuation by 5% for a total valuation of \$45,740. (5-0 Vote, by unanimous consent, Councilman Snell absent, Councilwoman Himmelblau out of the room at roll call)

## TAX APPEALS - (Continued)

## APPEAL WITHDRAWN

Mr. Klitgaard stated that the following appeal had been withdrawn:

Ownership and Description	Property	1979	1980	Disposition by Board	Disposition by City Council
		Appraised Value 100%	Appraised Value 100%		
Lemuel Scarbrough, Jr.	Land	\$568,399	\$913,498	\$811,998	
et al	Imps.	-0-	-0-	-0-	
By: Wendal L. Phillips	Total	\$568,399	\$913,498	\$811,998	
Anderson Square					
Lot 2, Anderson Square					
ID #2-3710-0312					

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The Council next heard the following appeal:

Paul O. Simms	Land	\$207,520	\$221,734	\$221,734	\$95,340
By: Paul Wendler	Imps.	-0-	-0-	-0-	-0-
2 Street East	Total	\$207,520	\$221,734	\$221,734	\$95,340
11.91 acres					
OLS 14 & 30,					
Division 0					
ID #2-0012-0801					

Mr. Paul Wendler stated that he had no quarrel with the valuation on the 3.263 acre tract lying between 1st and 2nd Streets. However, since the rollback zoning on the 8.6 acre tract from industrial to residential, he felt that the property should have a lower assessment. He asked the Council to assess the property at the same level as a four-block area of residences lying just west of the subject tract, less the cost of putting the tract in condition to subdivide for residences. He estimated that it would cost \$75-\$100 per front foot, plus legal and survey costs, to develop the lots. There would be additional costs for streets. About 305,000 square feet would be available for lots. He asked that that area be assessed at 37.25¢ to 37.50¢ per square foot, less development costs of about \$89,250, for an assessed valuation of \$24,000 to \$25,000.

Mr. Klitgaard responded that in spite of the rollback he doubted seriously that the property would ever be developed by dividing it into residential lots. It was a difficult problem, and he did not have a good answer for the Council as to the proper valuation. It was difficult to find a comparable in the marketplace.

After further discussion, the following motion was offered:

Motion

Councilman Mullen moved the Council assess the 8.6-acre tract at 37.5¢ per square foot, less the cost to develop. Councilman Goodman seconded the motion. (5-0 Vote, Councilman Snell absent, Councilwoman Himmelblau out of the room at roll call)



## TAX APPEALS - (Continued)

Reconsideration of Motion

The Council, on Councilman Mullen's motion, Councilman Goodman's second, reconsidered the preceding motion.

Motion

The Council, on Councilman Mullen's motion, Councilman Goodman's second, set the valuation on the 8.6 acre tract at \$30,000, for a total valuation on the 11.91 acres of \$95,340. (5-0 Vote, by unanimous consent, Councilman Snell absent, Councilwoman Himmelblau out of the room at roll call)

Ownership and Description		Property	1979 Appraised Value	1980 Appraised Value	Disposition of Board	Disposition of City Council
Woodstone, Ltd.		Land	\$96,268	\$ 288,803	\$ 288,803	\$ 288,803
By: Stephen Dean		Imps.	-0-	1,822,640	1,822,640	1,748,998
4021 Steck Avenue		Total	\$96,268	\$2,111,443	\$2,111,443	\$2,037,801
ID #1-4401-0201						

Mr. Stephen Dean, Property Manager, Paragon Properties, stated that he was representing Woodstone Apartments. He presented comparable properties in Northwest Hills and stated that Woodstone was identical to Woodcliff, except for the number of units and no tennis courts at Woodstone. However, Woodstone Apts. were valued at \$2.01 per square higher than Woodcliff.

Councilman Goodman asked Mr. Klitgaard for an explanation of the difference in valuation between the two apartment complexes.

Mr. Klitgaard replied that this was a hazardous way of valuing properties. The Tax Department system valued the basic structure only on a classified system. He did not think that Mr. Dean's system was a proper way to value property.

Motion

The Council, on Councilman Goodman's motion, Mayor Pro Trevino's second, reduced the valuation on the improvements by 4% for a total valuation of \$2,037,801. (5-0 Vote, by unanimous consent, Councilman Snell absent, Councilwoman Himmelblau out of the room at roll call)

## ADJOURNMENT

The Council adjourned at 5:20 p.m.