

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Called Meeting

November 8, 1978
9:00 A.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Goodman, Himmelblau, Mullen, Snell, Trevino

Absent: None

TAX APPEALS

The Mayor opened the Special Called Meeting by indicating that the City Council had before it thirty-two (32) owners, representing seventy-four (74) properties on which they would hear tax appeals.

The Mayor stated that the Council would first hear the case of the appellant, then the Tax Department, before deciding each case.

Jack Klitgaard, Tax Assessor-Collector, noted that all testimony in the case of appeals is required to be under oath, and that the oath which was taken by the property owners when they appeared before the Board of Equalization would still prevail.

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
W. Sale Lewis 2152 Barton Hills Drive ID #1-0111-0702	Land	\$ 4,520	\$ 4,520	\$ 4,520
	Imps.	<u>28,990</u>	<u>28,990</u>	<u>28,990</u>
	Total	\$33,510	\$33,510	\$33,510
W. Sale Lewis 2416 Vista Lane ID #1-1504-0204	Land	\$ 9,320	\$ 9,320	\$ 9,320
	Imps.	<u>30,820</u>	<u>30,820</u>	<u>30,820</u>
	Total	\$40,140	\$40,140	\$40,140
		- 8,000	- 8,000	-10,000
		<u>\$32,140</u>	<u>\$32,140</u>	<u>\$30,140</u>
W. Sale Lewis Q Ranch Road ID #9-1-5908-0501	Land	\$60,350	\$60,350	\$60,350
	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	Total	\$60,350	\$60,350	\$60,350

Mr. Lewis told the Council that the City must find a new way to assess taxes. The appellant questioned computer appraising, and noted that it takes an appraiser to go out and look at the property.

Mayor McClellan stated that the Council shares Mr. Lewis' concern, but the Council cannot change the law. She further stated that Austin has the highest exemption rate in the state.

Jack Klitgaard, Tax Assessor-Collector, responded to the comment from the appellant regarding computer appraisals, stating that the computer does not make appraisals and that each site is individually inspected. He further stated that Mr. Lewis' property had been assessed in the same manner in which all property in the City is assessed and that it should not be treated any differently from any other property.

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Mullen, carried by the following vote:

Ayes: Mayor McClellan, Councilmembers Goodman, Himmelblau, Mullen, Snell, Trevino

Noes: None

Not in Council Chamber when roll was called: Mayor Pro Tem Cooke

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Frien E. Gatliff by Susie E. Gatliff 9126 Jollyville Rd. ID #2-4803-0306	Land	\$ 7,840	\$ 7,840	\$ 7,840
	Imps.	<u>6,520</u>	<u>6,520</u>	<u>6,520</u>
	Total	\$14,360	\$14,360	\$14,360
Susie E. Gatliff 9126 Jollyville Rd. ID #2-4901-0221	Land	\$16,340	\$16,340	\$16,340
	Imps.	<u>9,410</u>	<u>9,410</u>	<u>9,410</u>
	Total	\$25,750	\$25,750	\$25,750
		- 8,000	- 8,000	-10,000 (H)
		\$17,750	\$17,750	\$15,750
Susie E. Gatliff 9077 Jollyville Rd. ID #2-4901-0222	Land	\$31,530	\$31,530	\$31,530
	Imps.	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>
	Total	\$37,030	\$37,030	\$37,030
Susie E. Gatliff Jollyville Road ID #2-4901-0223	Land	\$17,480	\$17,480	\$17,480
	Imps.	<u>6,580</u>	<u>6,580</u>	<u>6,580</u>
	Total	\$24,060	\$24,060	\$24,060

Mrs. Gatliff stated that she did not feel that her property had increased in value, particularly since it has no sewer line. Mr. Klitgaard noted that the market value of \$1.00 per square foot placed on Mrs. Gatliff's property is fair in regard to the conditions prevailing in the market place.

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Goodman, Himmelblau, Mullen, Snell, Trevino,
Mayor McClellan

Noes: None

Not in Council Chamber when roll was called: Mayor Pro Tem Cooke

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
M. E. McFarland 42 Canadian St. ID #2-0008-0607	Land	\$ 1,430	\$ 1,430	\$ 1,430
	Imps.	<u>6,810</u>	<u>5,910</u>	<u>5,910</u>
	Total	\$ 8,240	\$ 7,340	\$ 7,340
		<u>- 3,000</u>	<u>- 3,000</u>	<u>- 3,000 (V)</u>
		\$ 5,240	\$ 4,340	\$ 4,340

Mr. McFarland appealed to the Council to not only reduce his taxes, but to do something about the noise, pollution and dust in his neighborhood. He noted that the Board of Equalization had already reduced his taxes by approximately \$1,000 (\$5,240 to \$4,340). Mr. Klitgaard stated that the reduction in Mr. McFarland's taxes was made because of the issues he was presently bringing before the Council.

Councilmember Mullen moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Goodman, Himmelblau, Mullen, Snell,
Trevino, Mayor McClellan

Noes: None

Not in Council Chamber when roll was called: Mayor Pro Tem Cooke

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Thomas A. Womack 1008 E. 43rd St. ID #2-1809-0214	Land	\$ 4,500	\$ 4,500	\$ 4,500
	Imps.	<u>7,630</u>	<u>7,630</u>	<u>7,630</u>
	Total	\$12,130	\$12,130	\$12,130
		<u>- 8,000</u>	<u>- 8,000</u>	<u>-10,000 (H)</u>
		\$ 4,130	\$ 4,130	\$ 2,130

Mr. Womack requested the Council grant a \$5,000 reduction in his taxes, stating that he has not paid any taxes on his property for the past two or three years and wants them reduced this year because of the "principal" involved. Mr. Klitgaard replied that adjustments had been previously allowed and that Mr. Womack is being taxed at a fair rate.

Councilmember Snell moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Himmelblau, Muller, Snell, Trevino,
Mayor McClellan

Noes: None

Not in Council Chamber when roll was called: Mayor Pro Tem Cooke,
Councilmember Goodman

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Gary H. Close 3209 Windsor Rd. ID #1-1606-0304	Land	\$ 7,190	\$ 7,190	\$ 7,190
	Imps.	<u>16,130</u>	<u>16,130</u>	<u>16,130</u>
	Total	\$23,320	\$23,320	\$23,320

Mr. Spencer Scott, representing his daughter and son-in-law requested that the Council lower their taxes to no more than a 50% increase over 1976. He stated that a 92% increase was excessive and inequitable with other properties in the area.

Mr. Klitgaard replied that the increase might be greater on one property than another; but, the overall value of the property is equal to that of other like properties. He indicated that the greater increase is due to a correction of the depreciation schedule.

After receiving additional information regarding the property from Mr. Klitgaard, Councilmember Himmelblau moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Mayor McClellan, Mayor Pro
Tem Cooke, Councilmembers Goodman, Himmelblau

Noes: None

Not in Council Chamber when roll was called: Councilmember Trevino

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Alex R. Grote 5603 Exeter Dr. ID #2-2020-0709	Land	\$ 3,770	\$ 3,770	\$ 3,770
	Imps.	<u>26,360</u>	<u>26,360</u>	<u>26,360</u>
	Total	\$30,130	\$30,130	\$30,130

Mr. Grote stated that the market value of a house is just speculation and that all areas of the City are not treated equitably and uniformly. He said that the property is being valued at inflated prices and would like his property valued at \$25,000.

Mr. Klitgaard denied that anything was illegal or improper about the valuation as concerns subject property. He further stated that it was treated exactly as all other property in the district.

Councilmember Trevino moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Snell, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman

Noes: None

Not in Council Chamber when roll was called: Councilmembers Himmelblau, Mullen

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Edward Taborsky 4503 Parkwood Rd. ID #2-1912-0601	Land	\$ 4,970	\$ 4,970	\$ 4,970
	Imps.	<u>25,510</u>	<u>25,510</u>	<u>25,510</u>
	Total	\$30,480	\$30,480	\$30,480
		- 8,000	- 8,000	-10,000 (H)
		<u>\$22,480</u>	<u>\$22,480</u>	<u>\$20,480</u>

Mr. Taborsky did not appear to appeal his tax valuation. The value set by the Board of Equalization was sustained.

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Robert Megaw 2805 Bowman ID #1-1704-0803	Land	\$15,710	\$15,710	\$15,710
	Imps.	<u>35,670</u>	<u>35,670</u>	<u>35,670</u>
	Total	\$51,380	\$51,380	\$51,380

Mr. Megaw abandoned his right to appeal his property taxes in favor of addressing the Council on some points which he feels are important to all property owners. The appellant took issue with the procedures by which taxes are assessed--particularly the following: (1) The burden of proof should be returned to the assessor; (2) Citizens should not be threatened with the thought of higher taxes when they appear before the Board of Equalization; (3) A serious effort should be made to inform citizens of all available information which is pertinent to their particular case; (4) Independent appraisers should be employed by the Council to make sample assessments on a more detailed basis; (5) All deliberations of the Board of Equalization should be conducted under the rules

of public meeting legislation (open meetings) and (6) Council should appoint and provide supportive funding for a special citizens committee for improving the property assessment policies with special emphasis on the eradication of any and all de facto discriminatory elements.

The Council thanked Mr. Megaw for his presentation and advised him that his suggestions would be taken under consideration.

No motion was necessary as Mr. Megaw withdrew his appeal.

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
L. C. Hobbs 9603 Saunders Lane ID #2-4512-0213	Land	\$ 14,060	\$ 14,060	\$ 14,060
	Imps.	<u>211,250</u>	<u>211,250</u>	<u>165,070</u>
	Total	\$225,310	\$225,310	\$179,130
L. C. Hobbs, Jr. Old McNeil Rd. ID #2-4707-0307	Land	\$ 9,380	\$ 9,380	\$ 9,380
	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	Total	\$ 9,380	\$ 9,380	\$ 9,380

MR. MALCOLM ROBINSON, representing Mr. L. C. Hobbs, Jr., complimented Jack Klitgaard as a dedicated servant of the City and said that he had no quarrel with him but he did have a quarrel with the valuation placed on Mr. Hobb's property.

Mr. Robinson noted that the property which is located on Saunders Lane was annexed almost five years ago and that it was implied at the time that the City would make certain improvements on the property. The property valuation was increased in 1978, but Mr. Hobbs received relief from that valuation from the Board of Equalization and again from the City Council with an additional reduction. Mr. Robinson stated that Mr. Hobbs would have asked for deannexation, except that property had been annexed to the north of him and he was "locked in." Again, Mr. Hobbs' valuation has been increased, although there still are no sewer or water services available on this tract of land. In 1976, the valuation was adjusted to \$157,910. This year the valuation is \$225,310 or an increase of \$67,400 in two years (43%).

According to Mr. Robinson, Mr. Klitgaard admitted at the Board of Equalization meeting that he had arbitrarily determined that because this was a mini-warehouse he used a rental basis used by other mini-warehouses in the City. Mr. Robinson stated that Mr. Hobbs only charges 1/2 of the rental on which the Tax Department based the valuation. The other warehouses charge \$.16 per square foot, whereas, Mr. Hobbs charges \$.08 per square foot.

Because of the deficiencies in City service of sewer and water, the appellant requested that the value placed on the property in 1976 of \$157,910 be the valuation again placed on the property in 1978, as the property is less valuable for rental purposes than those of like description and size because of the lack of City facilities. Mayor Pro Tem Cooke asked Mr. Klitgaard how relevant the City services to the property might be to this case.

Mr. Klitgaard replied that the Tax Department did not actually remove any of the adjustments placed on the property as a result of appeals in the previous years. The economic obsolescence that was allowed on the buildings has remained on the buildings, based upon what was allowed by the Council. The unit cost schedules which were applied to all properties generally is what actually changed. Mr. Klitgaard further stated that the Tax Department is aware of the fact that this property, because of its location and the problems with water in the area, is not going to command the same rental (\$.16 to \$.18) for warehouse space that you can get in a different location. By the same token, the other properties won't have the economic obsolescence adjustments that this property has and they would be on more land value than \$7,500. Mr. Klitgaard stated that it is a very difficult piece of property to value.

Mr. Reed noted that both utilities are available in the area; however, the service is not extended to Mr. Hobbs' property. He further stated that the property is served by a private water line on a private street. The property would need to be subdivided and would need access on a public street and in connection with a subdivision, the owner would have to make the necessary extension to the utility system. The sewer is available from the rear of the property.

Mr. Robinson stated that the appellant had offered to dedicate whatever land is necessary, but the eight other owners on the private lane are not willing to dedicate the property; thus, you cannot get a line to the property. Mr. Reed noted that his point is that the lack of service is something that depends upon the property owners and the adjacent property owners, in order for the City to solve the problem.

Mayor Pro Tem Cooke asked Mr. Klitgaard to "talk to" the unit cost schedule, concerning a perspective in regard to the economic limitation on the property, as was granted by the 1976 Council and where those values have been increased.

Mr. Klitgaard replied that there are six separate improvements on the property and gave a run-down on the unit cost schedule, as it has escalated since 1976. He also gave a listing of discounts allowed by the 1976 Council--discounts which are still in place. He stated that the unit cost factor varies from a low of \$5.75 to a high of \$7.74 per square foot or an increase of 16%-17% in the lower class buildings and an increase of 21% in the higher class buildings. He further stated that the figures are applied uniformly on similar buildings throughout the City.

Mayor Pro Tem Cooke asked Mr. Klitgaard to translate his figures into actual dollars, so that he could see the differentiation. Mr. Klitgaard replied that he really needed to bring the old 1976 appraisal records in, so that a direct comparison could be made.

Later in the meeting, Mr. Klitgaard apologized to the Council, Mr. Robinson and Mr. Hobbs, stating that there was an error in the computation that reflected a 43% increase when the values were increased only 21%. He further stated that he recommended that the assessed value on the six buildings be reduced from \$211,250 to \$165,070.

Councilmember Goodman moved that the Council reduce the value set by the Board of Equalization on the property on Saunders Lane, due to the error in computation, to \$165,070. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmember Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen

Noes: None

Not in Council Chamber when roll was called: Councilmember Snell

Mr. Robinson withdrew the appeal of the property located on Old McNeil Road.

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Robert W. Norris 716 West Avenue ID #1-0700-0301.01	Land Imps.	-0- \$16,260	-0- \$16,260	-0- \$ 8,880
	Total	\$16,260	\$16,260	\$ 8,880

Mr. Norris stated that the property in question was purchased from Mr. McGinty six months ago in an "arms length" agreement for \$10,500. He asked the Council to reduce the 100% valuation from \$21,676 to the actual sales price of \$10,500, thus assessing the property for 75% of that amount.

Mr. Klitgaard replied that basic consideration was given to the fact that the property was sold to the same person who owned the land on which it was located. He said that a fair market value could not be placed on it, as property is worth very little if it has to be removed from the land. Mr. Norris noted that \$1,200 of improvements were included in the assessment which were not included on the assessment of the land itself.

Motion

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion was seconded by Councilmember Snell.

Substitute Motion

Mayor Pro Tem Cooke made a substitute motion to reduce the value set by the Board of Equalization to \$11,700 (100%) which was the "arms-length" sale

price, plus \$1,200 in improvements. The motion, seconded by Councilmember Himmelblau, failed to carry by the following vote:

Ayes: Councilmember Himmelblau, Mayor McClellan, Mayor Pro Tem Cooke

Noes: Councilmembers Snell, Goodman

Not in Council Chamber when roll was called: Councilmembers Mullen, Trevino

Original Motion Withdrawn

Councilmember Goodman withdrew his earlier motion to sustain the value set by the Board of Equalization.

Motion

Later in the meeting, Councilmember Mullen moved that the Council reduce the value set by the Board of Equalization to \$11,700. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Mayor McClellan, Mayor Pro Tem Cooke

Noes: Councilmembers Goodman, Snell, Trevino

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Curtis Schultze 3302 West 33rd St. ID #2-1804-1205	Land	\$16,040	\$14,580	\$12,400
	Imps.	<u>38,018</u>	<u>38,010</u>	<u>38,010</u>
Total		\$54,050	\$52,590	\$50,410

Mr. Schultze, the appellant, said that his appeal was based on the fact that the box culvert, intended to carry the drainage from the watershed to the north, is now inadequate and has been confirmed by the City Engineering Department. He noted that the use of his land is limited, as the old creek bed behind his land floods during heavy rains and his structure has been flooded in the past. Homer Reed, Deputy City Manager, commented that the developers in the area surely were required to do some ponding in the area. Mr. Schultze commented that there was no ponding on the developments surrounding his property. He also noted that there has been considerable development on state property, over which the City has no control.

Mr. Schultze asked the Council for a further adjustment on the value of his land and his house. He appealed to the Council to give a physical condition depreciation of 10% on the house, which is now at \$39,357 (\$35,421) and a 20% reduction on the land, which is presently valued at \$21,000 (\$17,113) for a total on the property of \$63,864.

Mr. Klitgaard stated that this particular property is difficult to appraise. He noted that adjustments had already been placed on the property for flooding conditions. The Board did place an additional 10% depreciation on the land.

Councilmember Himmelblau moved that the Council allow an additional 15% reduction. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmember Snell, Mayor McClellan, Mayor Pro Tem
Cooke, Councilmembers Goodman, Himmelblau

Noes: None

Not in Council Chamber when roll was called: Councilmembers
Mullen, Trevino

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Leon M. Branch 6203 Reicher Dr. ID #2-2124-0523	Land	\$ 3,470	\$ 3,470	\$ 3,470
	Imps.	<u>29,450</u>	<u>29,450</u>	<u>29,450</u>
	Total	\$32,920	\$32,920	\$32,920
		<u>- 1,500</u>	<u>- 1,500</u>	<u>- 1,500 (V)</u>
		\$31,420	\$31,420	\$31,420

Mr. Branch stated that he did not feel that the appraised value was equal in every part of town. He asked that the value of his property be reduced to equal the lowest appraised value in Austin when compared to the going selling price. Mr. Klitgaard said that he has a very strong objection to limited ratio studies, because they can't be considered to be accurate with 10%.

Mr. Branch said, "If the objective of the City is to match appraised values to the going market value, based on current sales and based on a certain date --fine. All I ask is that it be equal across the board for all parts of town." Mayor Pro Tem Cooke stated that he thought Mr. Branch had a legitimate concern, but that it will take time to correct the problem.

Councilmember Himmelblau moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Councilmember Snell, Mayor McClellan, Mayor Pro Tem
Cooke, Councilmember Himmelblau

Noes: None

Not in Council Chamber when roll was called: Councilmembers Trevino,
Goodman, Mullen

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
McCoy's Building	Land	\$126,780	\$ 97,520	\$ 87,770
Supply by	Imps.	<u>97,970</u>	<u>97,970</u>	<u>97,970</u>
Douglass Hearne				
10301 FM Rd. 1325	Total	\$224,750	\$195,490	\$185,740
ID #2-4908-0509				

Mr. Douglass Hearne, an attorney representing the appellant, asked the Council to reduce the proposed total value of \$.50 per square foot, or \$130,027, to \$.30 a square foot and bring it in line with the true market value of the land, which would reduce the value to \$76,383.73.

Mr. Klitgaard stated that the Board of Equalization deliberated a significant period of time before reducing the assessment from \$.65 per square foot to the present \$.50 per square foot. He said that the Board feels \$.50 is a fair value and that this property cannot be compared in value to one which is irregular in shape and selling for less.

Mr. Hearne stated that there was no way to justify a value of \$.50 per square foot when the adjoining property is valued at \$.30 per square foot. Mr. Hearne stated that the value of the land is encumbered by a fifteen-year lease at \$3,600 per year. Mr. Klitgaard stated that this happens to be the lowest sale of all the sales in the area and that it would be a mistake for the assessor to give consideration to only one sale that happens to be only 30% of what everything else is selling for. Councilmember Mullen stated that he had a problem with the fact that there is no access to the railroad on this particular piece of property.

Motion

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion was seconded by Councilmember Trevino.

Substitute Motion

Councilmember Mullen made a substitute motion to reduce the value to \$.45 per front foot. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Hammelblau, Mullen, Snell
Noes: Councilmembers Goodman, Trevino

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Rodney D. Larson	Land	\$28,560	\$28,560	\$28,560
Highway 290	Imps.	<u>43,650</u>	<u>43,650</u>	<u>43,650</u>
ID #9-4-0830-0103				
	Total	\$72,210	\$72,210	\$72,210
South Lamar	Land	\$25,550	\$25,550	\$25,550
ID #4-0310-0404	Imps.	<u>44,350</u>	<u>44,350</u>	<u>44,350</u>
	Total	\$69,900	\$69,900	\$69,900
Larson Equipment	Land	\$ 43,070	\$ 43,070	\$ 43,070
Highway 290	Imps.	<u>185,730</u>	<u>185,730</u>	<u>185,730</u>
ID #9-4-0630-0130				
	Total	\$228,800	\$228,800	\$228,800
Highway 290 West	Land	\$ 4,280	\$ 4,280	\$ 4,280
Oak Hill	Imps.	<u>71,020</u>	<u>71,020</u>	<u>71,020</u>
ID #9-4-0757-0417				
	Total	\$75,300	\$75,300	\$75,300
R & G Larson	Land	\$44,880	\$44,880	\$44,880
Highway 290 West	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
ID #9-4-0757-0418				
	Total	\$44,880	\$44,880	\$44,880
Highway 290 West	Land	\$8,270	\$8,270	\$8,270
Oak Hill	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
ID #9-4-0757-0464				
	Total	\$8,270	\$8,270	\$8,270
Highway 290	Land	\$71,060	\$71,060	\$71,060
ID #9-4-0767-0221	Imps.	<u>10,960</u>	<u>10,960</u>	<u>10,960</u>
	Total	\$82,020	\$82,020	\$82,020
Rodney D. Larson	Land	\$ 4,900	\$ 4,900	\$ 4,900
Michael Dale (add)	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
ID #9-4-0858-0409				
	Total	\$ 4,900	\$ 4,900	\$ 4,900
Rodney D. Larson	Land	\$13,970	\$13,970	\$13,970
and Geneva	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Michael Dale (add)				
ID #9-4-0858-0504	Total	\$13,970	\$13,970	\$13,970

Mr. Larson, the appellant, first spoke to the issue of Parcel No. 9-4-0830-0103, which is located on Highway 290. He noted that in one year there had been a substantial increase in the appraised value from \$40,569 to \$96,283. Mr. Larson stated that there had been few improvements on the property and he did not understand how there could be such a great increase in a one-year period of time.

Mr. Klitgaard stated that the major portion of increase was in land value and that this year all property up and down Oak Hill was changed from acreage (\$7,000) per acre) to \$100 front foot value.

Mr. Larson suggested that a property owner be taxed a set percentage increase each year - whatever it takes, but he would know what to expect. Mr. Klitgaard replied that Mr. Larson's suggestion is not realistic. Property does not change values at a 10% rate of increase each year. Mr. Larson commented that his property had a 318% increase in one year and that he feels there should be some kind of limitation on how much taxes can be increased in one year. Mr. Klitgaard told the Council that this property had been valued in the same manner that all other property in the same area had and that he feels the value assessed by the Board of Equalization is a fair market value.

Mr. Larson stated that there was little need to appeal his other properties, as they had not increased as much as the one in discussion.

Mayor Pro Tem Cooke moved that the Council sustain the value set by the Board of Equalization on Parcel No. 9-4-0830-0103. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Goodman, Himmelblau, Mullen, Snell, Trevino
Noes: None

The value set by the Board of Equalization on the other eight above-mentioned properties was also sustained.

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Austin Elcon Corp.	Land	\$ 4,880	\$ 4,880	\$ 4,880
by	Imps.	<u>8,780</u>	<u>8,780</u>	<u>8,780</u>
Donald Hoffman				
Prairie Trail (add)	Total	\$13,660	\$13,660	\$13,660
ID #2-4618-0521				

MR. DONALD A. HOFFMAN, representing the Austin Elcon Corporation, appealed to the Council to reduce the value placed on the land to less than 50%. He noted that he was less concerned about the increase on the improvements than he was about the increase of some 100% on the land. He said that the valuation seemed to be based on past history, rather than on current sales.

Mr. Hoffman noted several problems involved with the location in question. They are as follows: (1) 1970-1974 sales used for market value; (2) they don't have adequate City services; (3) no septic tanks; (4) no police protection; (5) Prairie Trail has not been resurfaced; (6) severe traffic hazard; and (7) they have not been offered City facilities since being annexed three years ago.

Mr. Klitgaard asked the appellant what he actually paid for the property in October, 1977 (vendor's lien note for \$37,500). He further submitted for the Council's consideration that if anything, the value on Mr. Hoffman's property is still conservative.

Councilmember Mullen moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen, Snell, Trevino, Mayor McClellan
Noes: None

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
John L. Brown by Mary A. Brown 7004 Bryn Mawr Cove ID #2-2427-0410	Land	\$ 3,070	\$ 3,070	\$ 3,070
	Imps.	<u>19,340</u>	<u>19,340</u>	<u>19,340</u>
	Total	\$22,410	\$22,410	\$22,410

MARY ALICE BROWN, the appellant, stated that there were a number of disadvantages for the taxpayer, among them the following: (1) no parking spaces; (2) plats have no street addresses many times; (3) must figure if the property is north, south, east or west side of street; (4) ask for parcel number which may or may not match the street address (which you have guessed at); (5) University Hills owners studied 150 parcels, but CRT operators are allowed to obtain four numbers at a time (had to check parcels manually); (6) had only street addresses--no names or parcel numbers; (7) once you get to the plats, you have to combine three numbers in order to get the parcel number; (8) no place to sit; (9) information often is not correct on field cards; (10) if the taxpayer does not have the same information that is available to the Tax Department, how can an equal presentation be made; (11) employees were courteous, but the retrieval process is frustrating and (12) the Tax Department does not inform the taxpayer of his right to appeal the decision of the Board of Equalization.

Ms. Brown stated that there are gross inequities in taxes between various areas of the City and that our taxation process does not meet the Constitutional mandate that taxation be equal and uniform. She further stated that she had made a home to home comparison of sales between Area 3 and Area 1-B (North East Austin and West Austin) of sales in the last quarter of 1977. She noted that her figures do not show percentages, only dollars. She said that the figures are consistently in excess for Area 3 (University Hills). She said that it is not the average of inequity, but the range that is her concern.

She said that discrepancies within the areas exist and it is generally to the advantage of the homeowner in an older home. She further stated that if the current system of appraisal does not work to bring about equity, then the system must be changed. The appellant stated that if the Council does nothing when presented with such evidence, then the entire appeals process is a farce.

Mr. Klitgaard replied that areas of standard, typical housing are easy property to appraise. He said it can be in any section of the City, not necessarily in Northeast Austin. The more difficult properties in transitional areas cause the problems in appraisal. He stated that the Tax Department does not deny Ms. Brown's contention that through a ratio study you will come up with a difference in taxes between Area 3 and Area 1-B.

Mr. Klitgaard stated that he was sorry Ms. Brown had such difficulty obtaining information but that the Tax Department does have access by names. He further stated that he thought the department had made every effort to make Ms. Brown as comfortable as they could and to provide her with all the staff assistance that the department could.

Ms. Brown repeated that the employees were very courteous but that she had to constantly return to the plat area and retrieve the plats one at a time.

Councilmember Himmelblau, who lives in Area 1-B, asked if the homes were in a comparable condition. Ms. Brown stated that she made no comparison on the homes, other than sales. She stated that any other factors are not relevant. Ms. Brown requested that the Council reduce her taxes by \$158 a year. Her present taxes are \$551, thirty-nine percent of which are City taxes and 61% of which are school taxes. Mayor Pro Tem Cooke stated that he is aware of the inequities among various areas of the City, particularly in Areas 3 and 1-B, but the Tax Department is on an accelerated plan to correct those inequities.

Mayor Pro Tem Cooke moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Himmelblau, Mullen, Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmember Goodman
Noes: None

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
John J. Stokes	Land	\$ 93,190	\$ 93,190	\$ 93,190
201 East St. Elmo Road	Imps.	<u>1,124,530</u>	<u>1,124,530</u>	<u>1,075,640</u>
ID #4-1206-0934	Total	\$1,217,720	\$1,217,720	\$1,168,830

MR. STOKES addressed the Council in regard to St. Elmo Villas, located at 201 East St. Elmo Road. He did not think that the values placed on buildings at that location were equitable. He then introduced MR. HARRY SEIDMAN, a local property appraiser, who discussed the technical aspects of the appeal. Mr. Seidman contended that the value of an income-producing property should be based on that income production, not necessarily just on the cost approach. It was felt that there was a problem with the location of the property, which had been recognized by the Tax Department appraisers. Mr. Seidman also felt that location effected the value of improvements. Mr. Seidman then referred to a table of tax comparables covering six other South Austin apartments. He cited several comparable statistics with the table and noted that the replacement cost per square foot for St. Elmo Villas was higher than the six other apartments due to the carport area at the Villas. He next compared rents with the six other apartments and stated that the Villas rented for less than the others due to location. He then referred to the occupancy rate for the Villas and said that the average occupancy rate for the first seven months of 1978 was around 83%. The typical comparable occupancy rate was 95% plus. He next reviewed the expense history and stated that the percentage of collected income supported an occupancy problem due to location.

Mr. Seidman reviewed the property's income stream and stated that, based on the income stream, the property was worth \$1,560,000, or \$13.75 per square foot and \$10,470 per apartment. Deducting the City's appraised value of land at \$124,255 would leave an indicated building value of \$1,435,745 which would indicate a depreciation factor of 4% due to location and would result in the improvements being considered 88% good versus 92% as shown currently. Mr. Stokes pointed out that his property was bounded on one side by liquor stores and body shops, on another side by a heavy truck repair shop, on another side by an open field which had not been developed and on the fourth side by homes which ranged from \$22,000 to \$25,000. He asked that the Council address itself to the aspect of the bad location and reference that to the buildings as well as the land, which had already been taken into account in its valuation by the Tax Department.

Mr. Klitgaard submitted that no one knew the value of a piece of property within the 4% level of accuracy indicated by the appellant. He stated that the value placed on the property by the Tax Department was a reasonable estimate of the property's worth.

After rebuttals by Mr. Stokes and Mr. Seidman and a response by Mr. Klitgaard, Mayor Pro Tem Cooke moved that the Council reduce the value of the improvements by 4%. The motion, seconded by Councilmember Snell, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Mayor
Pro Tem Cooke

Noes: Councilmembers Mullen, Himmelblau

Abstain: Councilmember Goodman

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Glenda Scott	Land	\$4,430	\$4,430	\$4,430
I.H. 35 North	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
ID #2-4321-0425				
	Total	\$4,430	\$4,430	\$4,430

Mrs. Scott did not appear to be heard; therefore, the Board of Equalization's decision to sustain the Tax Department values on the property remained unchanged.

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
H. C. Byler Property located at various locations ID #B-56169	Furniture, Fixtures, and/or Equipment	\$37,420		\$37,420
	Total	\$37,420		\$37,420
H. C. Byler 5804 Trailridge Circle ID #1-3203-0935	Land Imps.	\$ 7,280 <u>34,750</u>		\$ 7,280 <u>34,750</u>
	Total	\$42,030		\$42,030
H. C. Byler 3100 Duval Street ID #2-1505-0701	Land Imps.	\$ 9,280 <u>42,490</u>		\$ 9,280 <u>42,490</u>
	Total	\$51,770		\$51,770
H. C. Byler 3104 Duval Street ID #2-1505-0703	Land Imps.	\$13,060 <u>70,950</u>		\$13,060 <u>70,950</u>
	Total	\$84,010		\$84,010
H. C. Byler 4010 "A" Speedway ID #2-1906-0410	Land Imps.	\$13,350 <u>29,270</u>		\$13,350 <u>29,270</u>
	Total	\$42,620		\$42,620

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
H. C. Byler 4718 Depew Ave.	Land	\$ 2,650		\$ 2,650
	Imps.	<u>2,960</u>		<u>2,960</u>
	Total	\$ 5,610		\$ 5,610
H. C. Byler 4716 Depew ID #2-2010-1620	Land	\$ 2,650		\$ 2,650
	Imps.	<u>8,000</u>		<u>8,000</u>
	Total	\$10,650		\$10,650
H. C. Byler 4712 Depew ID #2-2010-1629	Land	\$ 9,270		\$ 9,270
	Imps.	<u>44,390</u>		<u>44,390</u>
	Total	\$53,660		\$53,660
H. C. Byler 5012 Duval ID #2-2309-1009	Land	\$11,720		\$11,720
	Imps.	<u>61,870</u>		<u>61,870</u>
	Total	\$73,590		\$73,590
H. C. Byler 5100 Bruning Ave. ID #2-2309-1601	Land	\$12,810		\$12,810
	Imps.	<u>66,650</u>		<u>66,650</u>
	Total	\$79,460		\$79,460
H. C. Byler 5505 Jeff Davis ID #2-2903-0521	Land	\$ 4,400		\$ 4,400
	Imps.	<u>22,680</u>		<u>22,680</u>
	Total	\$27,080		\$27,080

Mr. Byler, after commending the Council for their patience and attention, referenced the following properties: 3707 Cedar Avenue, 3104 Duval and 3100 Duval.

Mr. Klitgaard stated that the first item on the agenda was concerning personal property. He said that the City had never been successful in getting Mr. Byler to divide the personal property among his various properties and two or three years ago, the City agreed to make one personal property assessment on all property.

Councilmember Goodman inquired as to why Mr. Byler did not appear for his appointment before the Board of Equalization. He replied that he called the Tax Department on three occasions to see if they were going to notify him of an appointment date, but that he was never notified.

According to Mr. Klitgaard, Mr. Byler was given an appointment with the Board and was notified of the time and date of the hearing. He further pointed out that the department has a card system whereby when the card is pulled out of the file, that date and time is taken for a specific appeal. Mr. Byler's card was pulled out and assigned to him. A date and time was set up before the Board, but he did not appear before them.

Mr. Byler pointed out that the furniture in his apartments is not worth anything in resale value and would like his personal property to be assessed at \$12,000. Mr. Klitgaard stated that the \$20,600 figure that the Tax Department has as 75% of the rendered value was sent to the department by Mr. Byler himself. He further stated that the personal property has been assessed at \$37,420 and rendered by Mr. Byler at \$20,600; however, the appellant is now asking for \$12,000. Mr. Byler replied that his records show that his property was rendered at \$12,000 full value and that 75% of that would be about \$9,000. Mr. Klitgaard read a letter previously written by Mr. Byler in which he stated that the rendered value should be an amount less than \$20,600.

Various complaints about the City's tax system were voiced by Mr. Byler, including the fact that apartment properties are valued at a much higher rate than other rental properties.

In rebuttal, Mr. Klitgaard replied that in 1976 the Board of Equalization required Mr. Byler to furnish them with a cost list at the time of purchase for the furniture and fixtures in his various properties. Mr. Byler, at that time, furnished the Board with a list stating that his cost for the various apartment house furnishings was \$60,281. He noted that the Tax Department has taken the figure, as they have all other personal property in the City and applied a uniform depreciation schedule to it and arrived at an assessed value. Since the Board received the cost list, Mr. Byler has purchased six other rental complexes for which he reported no additional equipment. In order to get the value of equipment on these complexes, the department took what the previous owner had submitted the previous year and used that figure. He further submitted for the Council's consideration that the properties in question were valued on exactly the same basis as all personal property for property owners.

Mr. Klitgaard also noted that he had his staff send Mr. Byler a print-out for his help in identifying his property.

Councilmember Himmelblau moved that the Council sustain the values set by the Board of Equalization. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor McClellan, Councilmembers Goodman, Himmelblau, Mullen,
Snell, Trevino

Noes: None

Not in Council Chamber when roll was called: Mayor Pro Tem Cooke

1707

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
William Schwarzer	Land	\$14,150	\$14,150	\$14,150
2102 Hopi Trail	Imps.	<u>20,380</u>	<u>20,330</u>	<u>20,330</u>
ID #1- -1009				
	Total	\$34,530	\$34,480	\$34,480

MRS. WILLIAM SCHWARZER stated that she could not afford to paint her house because taxes kept increasing. She thought her taxes had risen by about 90% from last year. She also stated that the house next door sold frequently and that was why property values kept going up.

Mr. Klitgaard stated that the condition of the house had been considered by the appraiser. It was rated one level above substandard. Most of the surrounding homes had an "E" grading factor, leaving them at 90% good. The Schwarzer house was at 65% good. Most of the valuation increase had been in the land.

Councilmember Himmelblau moved that the Council sustain the values set by the Board of Equalization. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Goodman, Himmelblau, Mullen, Snell, Trevino,
Mayor McClellan

Noes: None

Abstain: Mayor Pro Tem Cooke

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Leslie Gage	Land	\$ 360	\$ 360	\$ 360
808-C East 46th	Imps.	<u>6,790</u>	<u>6,790</u>	<u>6,790</u>
Street				
ID #2-2010-1107	Total	\$7,150	\$7,150	\$7,150
Leslie L. Gage	Land	\$ 3,740	\$ 3,740	\$ 3,740
900 East 55-1/2	Imps.	<u>12,010</u>	<u>12,010</u>	<u>12,010</u>
Street				
ID #2-2312-0214	Total	\$15,750	\$15,750	\$15,750
Leslie L. Gage	Land	\$ 8,000	\$ 8,000	\$ 8,000
8503 Emerald Hill	Imps.	<u>46,980</u>	<u>46,980</u>	<u>46,980</u>
Drive				
ID #1-4602-0312	Total	\$54,980	\$54,980	\$54,980

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Gage Furniture, Inc. By: Leslie Gage William Cannon Drive ID #4-1618-0512	Land	\$47,600	\$47,600	\$35,700
	Imps.	-0-	-0-	-0-
	Total	\$47,600	\$47,600	\$35,700

MR. GAGE first appealed Parcel No. 4-1618-0512, a lot located in Safeway Addition No. 11 on William Cannon Drive, which he said he paid 65 cents per square foot for the lot late in 1977. The Tax Department assessed the lot at \$1.00 per square foot. He had bought the property from Safeway and felt that Safeway would have charged him what the lot was worth.

Mr. Klitgaard stated that of three sales in the neighborhood immediately across the street the property sold in 1974 for 86 cents per square foot and resold in 1978 for \$1.80 per square foot. Property on the corner sold in 1974 for \$1.75 per square foot. Another piece of property across Manchaca Road had a vendor's lien against it for 88 cents per square foot. He felt that the \$1.00 per square foot on the Gage property was well justified based on market activity.

Motion

Councilmember Mullen moved that the Council set the value of the property at 65 cents per square foot. Mayor Pro Tem Cooke seconded the motion.

Substitute Motion

Councilmember Goodman offered a substitute motion that the Council set the value on the property at 75 cents per square foot. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Himmelblau, Snell, Trevino, Mayor McClellan,
Councilmember Goodman

Noes: Councilmember Mullen, Mayor Pro Tem Cooke

Mr. Gage next appealed Parcel No. 2-2312-0214, located at 900 East 55-1/2 Street. The house was 40 to 50 years old and had been moved onto the lot. Most of the area homes were newer. The house rented for \$100 per month, and Mr. Gage did not want to have to increase the rent, but would have to if taxes increased. He did not believe the house was worth \$21,003.

Mr. Klitgaard stated that basically the sharp increase in valuation was due to correction of an old inadequate depreciation schedule that eroded the building value of the older home far faster than the market indicated. Depreciation should reflect purchase price. Homes in the area were newer, but smaller.

Motion

Councilmember Mullen moved that the Council uphold the Board of Equalization on Parcel No. 2-2312-0214. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
 Noes: Mayor McClellan.

The values set by the Board of Equalization on Parcel Nos. 2-2010-1107 and 1-4602-0312 were also sustained.

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
L. R. McLennan 1805 Exposition Boulevard ID #1-1506-0409	Land	\$15,370	\$15,370	\$15,370
	Imps.	<u>25,860</u>	<u>25,860</u>	<u>25,860</u>
	Total	\$41,230	\$41,230	\$41,230
		<u>- 8,000 H</u>	<u>- 8,000 H</u>	<u>-10,000 H</u>
		\$33,230	\$33,230	\$31,230

MR. McLENNAN cited several percentage increases in property valuation in his area and stated that those increases were much lower than the percentage increase on his property. He did not feel that it was equal taxation.

Mr. Klitgaard stated that the property was updated in value using the same premises as applied to all property generally. The old depreciation schedule had eroded the house to 58%, but it was now graded at 80% good based on what buyers were willing to pay for older homes.

Councilmember Mullen moved that the Council uphold the Board of Equalization. The motion, seconded by Councilmember Snell, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor Pro Tem Cooke,
 Councilmembers Goodman, Himmelblau, Mullen
 Noes: None
 Not in Council Chamber when roll was called: Mayor McClellan

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Merle L. Moden	Land	\$ 3,430	\$ 3,430	\$ 3,430
6506 Bridgewater	Imps.	<u>23,270</u>	<u>23,270</u>	<u>23,270</u>
Cove				
ID #2-2027-0330	Total	\$26,700	\$26,700	\$26,700

MR. MODEN cited 11 properties in his area which had an average value of \$23.50 per square foot. His property was valued at \$24.88 per square foot. He asked that the \$23.50 figure be the maximum basis for taxing his property. Mr. Moden and other University Hills area residents had conducted a ratio study for that area and found that for 70 sales in the area the average appraised value was 90% of the sales price, not 96% as indicated in the City's ratio study. Sixty-two sales from Area 1-B were examined, and it was found that the average appraised value was 74% of the sales price. Mr. Moden requested that his property be revalued either at the greater of 74% of market value or the indicated value on the date based on market transactions in the area, which was \$33,629.

Councilmember Goodman stated that he agreed with Mr. Moden regarding the northeast Austin tax valuations, but saw no injustice in Mr. Moden's case.

Motion

Councilmember Goodman moved that the Council uphold the findings of the Board of Equalization. The motion was seconded by Mayor Pro Tem Cooke.

In response to Mayor Pro Tem Cooke's question, Mr. Klitgaard stated that he had a bad feeling about limited ratio studies because nobody could really be objective. The Tax Department gathered as many sales as possible when making its studies. He stated that there must be 20,000 houses in Austin comparable to Mr. Moden's and that his house had been valued no differently from the others.

Vote

After further discussion between Mr. Moden and Mr. Klitgaard, the motion passed by the following vote:

Ayes: Councilmember Trevino, Mayor McClellan, Mayor Pro Tem
Cooke, Councilmembers Goodman, Himmelblau, Mullen, Snell
Noes: None

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Lemuel Scarbrough, Jr.	Land Imps.	\$456,750 -0-	\$456,750 -0-	\$426,300 -0-
Anderson Square ID #2-3710-0312	Total	\$456,750	\$456,750	\$426,300

MR. LEE PHILLIPS, a local realtor and one-third owner of the property in question, addressed the Council. He stated that the property was purchased in 1969 for \$.86 per square foot and is a gross inequity in this assessment by the Tax Department. Considerable money is involved, stated Mr. Phillips. The property has been appraised at \$608,999 and assessed at \$456,750; the owners paid almost \$9,000 in taxes on it to the City and School District last year. Mr. Phillips further stated that he was puzzled as to why the smallest unit or denomination of change used for valuation in his area is \$.25.

"I suggest," said Mr. Phillips, "that a fair modification for ours would be \$1.15, instead of \$1.50 per square foot." He quoted increases of previous years assessments and made some comparisons of surrounding properties. He said this property has been on the market for several years but none has been sold; it is on the market for \$2.50 per square foot but cited a number of instances where properties in the general area are valued at less than their selling price.

Mr. Phillips said that the value of the property is greatly related to traffic in the area and the accessibility of the property to the traffic lanes. He noted that the recent discussion related to making Highway 183 a major freeway has hindered, rather than helped with the prospect of selling the property.

Mr. Phillips' property has increased 100% in the past two years, whereas most of the properties with which he compared it have increased 15% to 20% during the same period of time. He said that the only property which has received the same 50% increase this year is that belonging to La Plaza Apartments which adjoin his property; however, he said that they have a much better lay out of land, as do most of the properties in the area, than his land has.

The only income which Mr. Phillips and his co-owners receive from the property is that of sign rental. He stated that the increase in sign rental has been 12% in the past year--nowhere near the 50% increase in valuation. Mr. Phillips quoted the Bible in saying, "Ask and it shall be given unto you." He asked for a 15% increase, not the 50% increase assessed by the Tax Department.

In rebuttal, Mr. Klitgaard stated that he did not think that percentage increases were the right way to measure anything. He said that if the property is on the market for \$2.50 per square foot, it is difficult for him to say that \$1.50 is too high an assessment on the property.

Mayor Pro Tem Cooke moved that the Council reduce the value set by the Board of Equalization to \$1.40 per square foot. The motion, seconded by Councilmember Mullen, carried by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Mullen, Snell

Noes: Councilmember Trevino

Not in Council Chamber when roll was called: Councilmembers Goodman, Himmelblau

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Charles Teich	Land	\$ 4,370	\$ 4,370	\$ 4,370
2404 Akron Cove	Imps.	<u>36,490</u>	<u>36,230</u>	<u>36,230</u>
ID #2-2623-0103				
	Total	\$40,860	\$40,600	\$40,600

MR. TEICH, like several other appellants, lives in the University Hills area of the City. He reiterated that his area has been taxed higher than other areas of the City in the past few years. He stated that Area 1-B is still at 86% and the area in which he lives is taxed at 96% of the market value. Mr. Teich asked the Council how long the inequities will continue. He stated that the University Hills owners have been promised some relief, but as yet, none has come. He requested, specifically, that the Council lower his tax rate to 90%, rather than the 96% that the Tax Department used to assess his property.

Mr. Klitgaard stated that any house with similar appointments, footage, construction, etc., is valued the same, whether it is in the Northeast, Northwest, Southeast, Southwest, etc., sections of the City.

In response to Mr. Teich's question regarding when the homeowners in University Hills could expect some equity in taxes, Mayor Pro Tem Cooke stated that much headway had been made in 1978 and that in 1980, hopefully, much more would be made. He said that the Tax Department is trying to rectify the inequities as quickly as possible.

Councilmember Himmelblau moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Snell, Mayor McClellan

Noes: None

Not in Council Chamber when roll was called: Councilmembers Mullen, Trevino

Ownership and Description		1978 Assessed Value	1978 Value by Board	Disposition by the City Council
		75%	75%	
Dr. Sigman Hayes J. Morris Road ID #2-2032-0501	Land	\$157,650	\$135,130	\$135,130
	Imps.	580	580	580
	Total	\$158,230	\$135,710	\$135,710

Before Dr. Hayes addressed the Council, it was noted by the Tax Department that a computation error had been made and the value set by the Board of Equalization should be considered to be \$135,710. Dr. Hayes stated that he had a contract of sale for his property which is 60.057 acres on Johnny Morris Road but because of the recession he had to take the property back and lost a sale for \$4,000 per acre. Dr. Hayes stated that he appreciated the Council's stamina and courtesy but hoped that he could be treated equitably. He noted that the Board of Equalization made the change in his valuation and dropped it from \$3,500 per acre to \$3,000 per acre after the Tax Department realized its own computation error. He noted that his next door neighbor is paying \$2,500 per acre on 100 acres and that the equitable thing to do would be to value his property at the same \$2,500 per acre.

Councilmember Himmelblau inquired as to whether any of the property were in the flood plain, to which Dr. Hayes replied, "I don't know." He said that the only explanation he had concerning the differential between his land and the one adjacent to him is that it is 100 acres and his is a smaller property of 60 acres. To quote Dr. Hayes, "I guess what I'm asking is that if their policy is somewhere between 60 and 100 a tract ceases to be a small tract and becomes a large tract, then this is a policy matter and I'm appealing to the Council for some relief in regard to the policy. If that is their policy, well, they are stuck with it; but, I think that perhaps you could help me on it on changing the policy and that's all I have to say."

It is easier to sell a small tract than a larger one stated Mr. Klitgaard. He said that directly south of Dr. Hayes' property there is a tract of land 29.7 acres in size which has been valued at \$3,500 an acre. Councilmember again asked how much of the area was in the flood plain. Mr. Klitgaard answered that the information was not on our maps this far out; however, Mr. Reed replied that he didn't believe this immediate area was in the flood plain.

Motion

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion was seconded by Councilmember Snell.

Substitute Motion

Mayor Pro Tem Cooke made a substitute motion that the Council reduce the value set by the Board of Equalization to \$2,800 per acre. The motion, seconded by Mayor McClellan failed to carry by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Cooke
 Noes: Councilmembers Himmelblau, Snell, Goodman
 Not in Council Chamber when roll was called: Councilmembers
 Mullen, Trevino

Roll Call on Original Motion

Ayes: Councilmembers Goodman, Himmelblau, Snell, Trevino
 Noes: Mayor McClellan, Mayor Pro Tem Cooke
 Not in Council Chamber when roll was called: Councilmember Mullen

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Lewis Lee, et al	Land	\$32,880	\$32,880	\$32,880
Old Highway 183	Imps.	-0-	-0-	-0-
North				
ID #2-4901-0904	Total	\$32,880	\$32,880	\$32,880
Charles F. Lee,	Land	\$86,510	\$86,510	\$86,510
et al	Imps.	-0-	-0-	-0-
James Wallace				
Survey	Total	\$86,510	\$86,510	\$86,510
ID #2-4901-0905				

The appellant, MR. LEWIS LEE, stated that he bought the property in question about 12 or 13 years ago with the hope that one day he would be able to retire on it. He stated that if he keeps the property two and one half more years, and if the tax doesn't increase any, the tax will pay or cost what he originally paid for the property. Last year, Mr. Lee gave 2.64 acres of the original 3.99 acres to his children.

Comparatively speaking, stated Mr. Lee, the property has changed considerably in valuation--from \$.14 per square foot to \$1.00 per square foot. Last fall, about six months ago, Mr. Lee's remaining property of 1.34 acres was valued at \$16,000 per acre, or \$.37 per square foot. In less than six months time, it has gone up to \$1.00 per square foot for that which faces Jollyville Road and \$.75 per square foot for that which faces the bluff which the City and State want to acquire for a right-of-way. Mr. Lee said that he is just in a holding capacity for the property which is located on the bluff facing Highway 183. It is for sale, but none of the land is improved. There is no sewage or gas and it is not feasible to think that he can sell the land. The bulk of the property which faces Jollyville Road has no sewage or gas either. Furthermore, Mr. Lee stated that he had been told by the Tax Department that when a property owner had a piece of land where no sewage or gas was available, the property value could be reduced from two-thirds to three-quarters. He asked the Council to implement the policy in regards to his acreage, until such time that City facilities are available. As a matter of fact, he asked the Council to implement the policy, not only for his acreage, but for any property owner who owns property under similar circumstances.

In rebuttal, Mr. Klitgaard stated that "Mr. Lee has always contended the fact that he has frontage on Old Jollyville Road and frontage on 183; it really has no frontage on 183 because there is a high bluff there. We're well aware of the bluff; however, this year he has cut this parcel in two pieces--right in the middle here--where part of it faces 183 and the other part Jollyville Road. If it didn't have frontage on 183 here..he's got a piece of landlocked property that he can't get through, unless he goes through the other parcel that was cut off. However, we do appraise that property on 183 at \$1.50 per square foot, the same as all the adjoining property. In this particular case, there is an access problem because of the bluff and this value is discounted at 50%; so, we're really valuing it at \$.75 per square foot. Property fronting on Jollyville Road, the same as one of the earlier appeals that the City Council had today, from Ms. Gatliff, I believe it was...this property is valued at \$1.00 per foot--the same as her property. We think that we have treated it no differently from all other property and based on the values that we have assigned to this on the sales that have taken place in the area."

In rebuttal, Mr. Lee said that Mr. Klitgaard had suggested that he sell the property, but he can't get a bidder on it, because it is reserved for right-of-way purposes. He said that he would like some relief in regards to the lack of services by the City, without which he can't put up an outside toilet, much less an office building or anything else. He said he couldn't get a permit to "build an out-house on it."

Councilmember Goodman inquired as to how much of the land is reserved for the right-of-way. He also asked if Mr. Lee has the same problem regarding the rest of the property.

Mr. Lee replied that 1.342 acres are reserved for right-of-way and he is waiting for the City to do something about it. The land has been surveyed and they say they want it. The additional property is not concerned with right-of-way problems, but there are still no utilities available there.

Mayor Pro Tem Cooke commented that "In other words, he has a combination. He's saying that on the back tract or the tract that faces on to Research Boulevard or U.S. Highway 183, he's really in a holding status for that and paying taxes on it waiting for it to be acquired for right-of-way to tie into MoPac; and the front part, or the part that's fronting on Old Jollyville Road, he doesn't have water and wastewater or gas to make any improvements for that particular piece of land."

Mr. Reed commented that sewage is available but it would require an approach main of 1000 to 2000 feet.

Mr. Lee replied that the sewage is not available until he can get to it. He expects to get it, possibly by next year. Furthermore, Mr. Lee stated that when he asked the Highway Department about acquiring the right-of-way, they said that they are waiting on the City to give them the green light. The City says they are waiting on the Highway Department to get funds from the Federal government. According to Mr. Reed, the City Council has passed a resolution asking that this project be expedited by the Highway Department, and they are proceeding with studies to determine how much right-of-way might be needed.

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau

Noes: None

Not in Council Chamber when roll was called: Councilmember Mullen

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Leon A. Whitney 5606 Roosevelt ID #2-2806-0823	Land	\$ 26,860	\$ 26,860	\$ 26,860
	Imps.	<u>138,420</u>	<u>138,420</u>	<u>138,420</u>
	Total	\$165,280	\$165,280	\$165,280
Susan & Blyth Whitney 5605 Jeff Davis ID #2-2903-0527	Land	\$ 4,400	\$ 4,400	\$ 4,400
	Imps.	<u>8,180</u>	<u>8,180</u>	<u>4,230</u>
	Total	\$12,580	\$12,580	\$ 8,630
Leon Whitney 1300 Newning ID #3-0001-1207	Land	\$ 22,500	\$ 22,500	\$ 22,500
	Imps.	<u>120,870</u>	<u>120,870</u>	<u>120,870</u>
	Total	\$143,370	\$143,370	\$143,370
Leon Whitney 3502 Burleson Rd. ID #3-1104-1116	Land	\$13,480	\$13,480	\$13,480
	Imps.	<u>67,980</u>	<u>67,980</u>	<u>67,980</u>
	Total	\$81,460	\$81,460	\$81,460
Leon Whitney 2514 East Ben White ID #3-1104-1120	Land	\$11,950	\$11,950	\$11,950
	Imps.	<u>68,190</u>	<u>68,190</u>	<u>68,190</u>
	Total	\$80,140	\$80,140	\$80,140

The appellant, MR. WHITNEY, asked the Council to adjust the value of his property at 5605 Jeff Davis to the actual sales price of \$11,500 which he paid in February of this year in an arms-length transaction. He suggested that the land value remain the same and the adjustment be made on the improvements, as the house is little more than a shack and was purchased with the thought of tearing it down and constructing a duplex in its place at a later date.

Councilmember Himmelblau asked the appellant if he were discounting the price of the improvements which he had to make in order to bring the house up to the standards of the occupancy code. Mr. Whitney replied, yes, because he did not actually make any improvements to the property--only repairs; also, they were added in January of this year and if taken into consideration, they would be for taxes next year, not this year.

Admittedly, said Mr. Klitgaard, it is difficult to argue with a man who has made an arms-length transaction; however, he said that the values placed on the property by the Tax Department are well-justified from an earnings standpoint of \$175 per month for rental income. Mr. Whitney commented that it was difficult to rent the house and that he had rented it to a couple who are financially insecure. He said that he does not in fact receive any rental for it at the present, as they are several months behind on their rent. In addition, he stated that it actually takes \$175 per month to make the mortgage payment, pay the taxes and the insurance.

Motion

Mayor Pro Tem Cooke moved that the Council reduce the appraised value of the property to the selling price of \$11,500. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau

Noes: None

Not in Council Chamber when roll was called: Councilmember Mullen

Next, Mr. Whitney discussed only the land value of an older apartment house which is located at 1300 Newning Avenue. He stated that the land value has increased over the last tax year by 33%. He feels that the land value should have decreased in value, rather than increased for the following reasons: (1) the land is appraised at a value greater than other lands in the same area and with the same zoning, which is "B"; (2) the land value was increased nearly 400% two years ago on the last valuation; however, the value of the other land in the same area remained the same as what it had been the previous year, with the exception of one other piece of property.

Mr. Whitney requested that the land value be reduced to \$7,500, based on \$.25 per square foot, in order to be consistent with other land values in the same area. At the present, Mr. Whitney's property is appraised at \$1.00 per square foot and the property directly adjoining Mr. Whitney's property is appraised at \$.26 per square foot. At the other end of the block, there is a newer apartment house valued at only \$.33 per square foot. With the exception on one other piece of property in the block, Mr. Whitney's property is the only one valued at more than \$.33 per square foot; in fact, most are valued at \$.24 to \$.26 per square foot. All properties on the whole block are zoned "B." The zoning is the same; the topography is essentially the same--the only difference is in the actual use of the property. Most are still used as single-family homes; or, they were originally built as single-family dwellings and have since been divided into three or four apartment dwellings.

In summation, Mr. Whitney stated that "adjacent land with equal zoning should be appraised and taxed equally. To double, or quadruple the taxes on some lots, but not others in the same block, results in unfair competition between apartment houses; because, the apartment houses paying the higher land taxes must also charge higher rent. The City of Austin's present policy of appraising land values based upon their present use, instead of their highest and best use, results in a user being penalized by paying higher taxes on his land and therefore subsidizing the land speculator who pays lower taxes on his vacant or under-utilized land, as is the case here. ...Not only is this policy unfair, it is illegal, according to the state law which requires equal taxation and also violates the equal protection provisions of the Federal Constitution. The appraised value of my land should be no more, or any less, than my neighbor's land."

Mr. Klitgaard replied that the City is not in violation of any law, as there is no law which requires that one piece of land be valued on exactly the same basis as the adjoining land. Highest and best use is not predicated on zoning. He said that property that is not being used as apartment dwellings cannot be valued higher just because sometime in the future it might be used as an apartment; it has no greater value than what it is presently being used for-- in most cases, a single-family dwelling. He does not agree with Mr. Whitney that he has to have an apartment unit next door to him, simply because the zoning is the same.

Motion

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Snell, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Pro Tem Cooke, Councilmembers Goodman, Snell

Noes: None

Not in Council Chamber when roll was called: Mayor McClellan, Councilmembers Himmelblau, Mullen

Mr. Whitney next appealed the decision of the Board of Equalization regarding his property located at 5606 Roosevelt Avenue. His property is valued at \$1.25 per square foot; whereas, other commercial properties adjoining or in the same general area are appraised from \$.48 to \$.77 per square foot. The appellant stated that his property, an apartment complex, is located on a narrow deadend street and should not be valued as high as some other properties in the same general area who are not burdened with the same street location. He requested that his property be valued at \$13,750, based on the average of \$.48 per square foot value placed by the Tax Department on the other commercial and apartment-zoned properties located on Roosevelt Avenue.

Mr. Klitgaard replied that properties which do not have established use are appraised at somewhere near \$.50 per square foot; however, all properties in this area which have established multi-family use have been zoned at \$1.25 per square foot.

In rebuttal, Mr. Whitney stated that the bowling alley adjacent to his land is used commercially and is taxed at \$.56 per square foot. In addition, he stated that he believes the policy is unfair when land which is in use is taxed higher than land that is not in use. If the land is the same, zoned the same, etc., the taxes should be the same.

Councilmember Goodman agreed with Mr. Whitney's point but stated that since the properties adjoining his or in the same general location with the same zoning have been valued at \$1.25 per square foot, he would approve the findings of the Board of Equalization.

Motion

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Mayor Pro Tem Cooke, carried by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Goodman, Himmelblau, Snell, Trevino

Noes: None

Abstain: Councilmember Mullen

Mr. Whitney further commented that some cities have completely deleted appraising improvements on land. They appraise the land only at a very high rate. Two things are accomplished by appraising land only. (1) It encourages the guy who is simply holding the land vacant for speculation to get rid of it to a user, because the taxes are too high to hold it several years on a speculative basis and (2) it will encourage people to put that land to its best use with the most expensive improvements that are warranted by the economy at the time on the property. It gets rid of the vacant lots that are left in the older sections of the City, because it is too hard to hold them for any extended period of time; thus, you can force revitalization of the older areas.

Councilmember Goodman and Mayor Pro Tem Cooke both agreed that Mr. Whitney had an excellent point. It was suggested by Mr. Reed that, after the tax appeals are over, perhaps Mr. Klitgaard could brief the Council on the merits of his point.

The appellant stated that his next appeal was regarding Dairy Queen at 2514 East Ben White Boulevard, which was built at a cost of \$57,000 in 1973 (land and building.) He said that the property was originally taxed at 100% of its value. The store is a special use building which has been valued by the Tax Department at \$42 per square foot. The increase is 67%, or \$36,000 over that of the 1976-77 tax year; it is now appraised at a value of \$106,853.

He said that his property is not worth more than the lot next door which has been appraised at \$.70 per square foot. His land is not as flat, nor is it level with Ben White Boulevard. His Dairy Queen lot is \$.90 per square foot. The appellant stated that as a special use building, it does not have the value of a regular building. For instance, a church, restaurant, Dairy Queen, etc., would not be as valuable because of their designated structure, as a plain or regular shaped building.

Assuming that the Dairy Queen would have as much value as a regular building, Mr. Whitney suggested that it be compared to the Ballards Drive-In Grocery and Washateria in the next block; it is valued by the Tax Department at only \$14.04 per square foot. Comparing the Dairy Queen with Ballards and using the same figures for square footage, the Dairy Queen would then be valued at \$30,500, instead of the almost \$91,000 that is now considered to be its value. Thus, the Dairy Queen is appraised at three times as much per square foot as the Ballards store.

Mr. Whitney further stated that the rental income on the Dairy Queen is the same now as it was five years ago. He said that appraisers will tell you that the cost approach, when applied to income-producing property that is not new, will represent the upper limit of value; hence, most appraisers agree that the income approach more nearly represents actual market value of income producing property. He said that his rental income indicates a market value of approximately \$67,400, using a 1% return on investment per month, or 12% per year, which is actually low for this type of property. The Dairy Queen, he said, is not in a prime area and is actually grossing \$2,000 to \$3,000 less now than it was four or five years ago.

Based upon his belief that the Dairy Queen land and improvements are not worth as much today as they were five years ago, Mr. Whitney requested that the Council place the market value as follows: He requested that the land be valued at \$.70 per square foot, which is the same value as the lot next door and amounts to \$12,400. In addition, he requested that the building itself be valued at \$55,000, which is just a little more than it originally cost to build it. The total value that he requested the Council to place on the property is \$67,400.

To start with, Mr. Klitgaard said in rebuttal, the franchise operation is one area that needed to be worked on this year. He said that almost all of the franchise corporations were contacted this year to find out what their construction costs were this year for the type of buildings they were constructing in this part of the country. He said they range in cost from a low of about \$30 per square foot to a high of about \$58 per square foot. New schedules that were applied to all fast-food operations were adjusted this year to bring them up to the current costs. Costs from 1973 to 1978 have changed drastically, particularly in relation to this type of property. As far as the land value is concerned, the property declines in value the further it gets from the corner or intersection.

Councilmember Goodman commented that if the Council followed Mr. Whitney's advice and went to \$.70 per square foot assessment, it would serve to reinforce the theory that Mr. Whitney was arguing against that unused land not be taxed to the lesser rate than land that is in use.

Mr. Whitney replied that the adjoining vacant lot, which he also owns, is appraised at \$.70 per square foot; it is more desirable than the Dairy Queen lot, according to Mr. Whitney.

Councilmember Goodman replied that land that is in use is taxed at a higher rate than land that is not in use.

Motion

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen, Trevino

Noes: Councilmember Himmelblau

Not in Council Chamber when roll was called: Councilmember Snell

Mr. Whitney had one more valuation to appeal to the Council: a 7-11 and washateria. He compared this property with a Ballards store and washateria around the corner on Ben White Boulevard. They are the same age, same type and same quality of construction. He asked why one building is valued at \$14 per square foot, while the other building is valued at \$17.50 per square foot--a differential of some 24%. Additionally, he stated that he had not provided any heating or air-conditioning equipment in the 7-11 store and wanted to know if the heating and air-conditioning in the Ballards store belongs to the owner, or are they paid for separately by Ballards who leases the store? Since each store is located next to a corner filling station, Mr. Whitney stated, why is one lot valued at \$.10 more per square foot than the other?

He pointed out that his property is appraised at \$108,620 which he feels is greater than other similar property in the same area. He requested that the Council reduce his value to be consistent with the Ballards and Quik-Wash property as follows: He asked that the land be valued at \$.75 per square foot for a total of \$15,862 and the improvements be valued at \$14.04 per square foot for a total of \$72,938. The total of both land and improvements valuation would be \$88,800.

In rebuttal, Mr. Klitgaard stated that his appraisers believe there is very little comparison in the quality of construction in Mr. Whitney's store and the Ballards store. Mr. Klitgaard stated that the property has been charged with the following air-conditioning units: Two 7-1/2 ton units; one 3-ton unit; and one 2-ton unit.

Mr. Whitney replied that he does not furnish air-conditioning for the 7-11 store but he does furnish it for the washateria. He is not sure of the size he furnishes.

Motion

Councilmember Goodman moved that the Council sustain the value set by the Board of Equalization. The motion was seconded by Mayor Pro Tem Cooke.

Substitute Motion - Failed

Councilmember Mullen offered a substitute motion providing for \$15.74 per square foot. The motion, seconded by Mayor McClellan, failed to carry by the following vote:

Ayes: Councilmember Mullen, Mayor McClellan
 Noes: Councilmember Trevino, Mayor Pro Tem Cooke, Councilmember Goodman
 Not in Council Chamber when roll was called: Councilmembers Himmelblau, Snell

Roll Call on Original Motion - Failed

Ayes: Councilmembers Goodman, Trevino, Mayor Pro Tem Cooke
 Noes: Councilmembers Himmelblau, Mullen, Mayor McClellan
 Not in Council Chamber when roll was called: Councilmember Snell

Motion-

Councilmember Mullen moved that the Council reduce the value of the property to \$16.50 per square foot. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmember Mullen, Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau
 Noes: None
 Not in Council Chamber when roll was called: Councilmembers Snell, Trevino

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Clerk
David Andrews	Land	\$ 4,640	\$ 4,640	\$ 4,640
2305 Vanderbilt Cr.	Imps.	<u>30,380</u>	<u>30,380</u>	<u>30,380</u>
ID #2-2421-1311				
	Total	\$35,020	\$35,020	\$35,020

The appellant, who is the President of the Northeast Austin Homeowner's Association feels that gross inequities exist, as they did in 1976. He said that Mr. Klitgaard had pledged to correct the inequities, but Mr. Modene's study shows that he failed. His presentation was in the form of a personal attack on Mr. Klitgaard. In summary, Mr. Andrews requested that the Council reduce his assessment to 74%. It is his feeling that anyone paying more than 74% is paying more than their fair share. He stated that he only asks for equality and to pay his fair share.

Mr. Klitgaard responded that he places very little confidence in the ratio study by Mr. Modene and the people from University Hills. He said that it is too limited in scope and it doesn't incorporate enough areas of the City. A ratio study of this kind cannot be made. He stated that we are significantly narrowing the gap between the different areas of the City--much more than the 2% rate to which Mr. Andrews alluded. Mr. Klitgaard further noted that the Council will be receiving a memo from the 1978 Board of Equalization addressing the question of whether or not the obligations made to the 1976 Board have been fulfilled.

For the record, Councilmember Goodman stated that "several members of this Council took the recommendations of the 1976 Board of Equalization and pursued them through our own Council terms to see that they are implemented and to see that we extend upon them and improve, etc. Part of that action was reflective of the whole Council when we reappointed Dr. Koch to the Board of Equalization. They were beginning in the right direction and we'd like to see them continue going that way."

Councilmember Mullen moved that the Council sustain the value set by the Board of Equalization. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Goodman, Mullen

Noes: None

Not in Council Chamber when roll was called: Councilmembers
Snell, Trevino, Himmelblau

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
R. G. Mueller & Frances Danforth Bull Creek Road ID #9-1-3613-0408	Land Imps. Total	\$576,410 <u>19,370</u> \$595,780	\$576,410 <u>19,370</u> \$595,780	

MR. MUELLER withdrew his appeal; therefore, the Board of Equalization's decision to sustain the Tax Department's values on the property remain unchanged.

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
Edwayne Priesmeyer & Vernon McKean by William Brown Lamar Boulevard N. ID #2-4618-0618	Land	\$61,760	\$61,760	\$30,880
	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	Total	\$61,760	\$61,760	\$30,880
Edwayne Priesmeyer & Vernon W. McKean 401 Braker Lane ID #9-2-4623-0501	Land	\$ 14,250	\$ 14,250	
	Imps.	<u>102,580</u>	<u>102,580</u>	
	Total	\$116,830	\$116,830	

MR. WILLIAM BROWN, representing the appellants, stated that a contract had been submitted on the property located on North Lamar Boulevard for \$7,500 per acre. The contract has been accepted and the sale is in the process of closing. He cited several reasons why the Council should consider reducing the valuation of the property, as follows: Exhibit (1) The valuation of \$82,350, which works out to be \$15,000 per acre; (2) The contract that has been submitted at \$7,500 per acre; (3) A listing agreement which has been in effect since December of 1977, authorizing Investors Commercial Property to list the property for \$8,000 an acre, at which it has not been sold until the recent contract for \$7,500 per acre; (4) The adjacent property, owned by Mr. Doyle Chapman, who is also going to sell his property for \$7,500 per acre; (5) Some valuations on property adjacent to the other side.

Mr. Brown stated that he expected a fully executed contract within the next day or two and requested that the Council set the valuation at a fair market value which is evidenced by a contract between two parties. Mr. Klitgaard replied that he had no quarrel with Mr. Brown's request and that the property has in fact been over valued.

Councilmember Goodman moved that the Council reduce the valuation set by the Board of Equalization to the requested sum of \$7,500 per acre. The motion, seconded by Councilmember Mullen, carried by the following vote:

Ayes: Councilmember Trevino, Mayor McClellan, Mayor Pro Tem
Cooke, Councilmembers Goodman, Mullen

Noes: None

Not in Council Chamber when roll was called: Councilmembers
Himmelblau, Snell

Ownership and Description		1978 Assessed Value 75%	1978 Value by Board 75%	Disposition by the City Council
John Miller & Lawson Turner by Rogan Giles Ed Bluestein & Loyola ID #2-2228-0102	Land	\$325,400	\$215,200	\$139,460
	Imps.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	Total	\$325,400	\$215,200	\$139,460

MR. ROGAN GILES, an Attorney representing the owners of the property, stated that there are a number of legal technicalities involved with this particular property, including a law suit against the City of Austin. He further stated that the owners sold the land in 1974 for \$10,000 per acre, but no payments or taxes were ever made after the sale. A sale of foreclosure was made this year in the amount of \$1,000 per acre. Last year, the property was valued by the Board of Equalization at \$7,000 per acre but reduced it to \$4,500 per acre this year after hearing Mr. Giles's presentation. Mr. Giles said that there are numerous problems pertaining to the possible development of the property. Access is very poor, with the majority of the property having no access to Ed Bluestein Boulevard. In addition, the tract is low and in the flood plain area. The utility lines would have to be of more expensive construction because of the soil conditions. He further stated that no land developer would pay more than \$1,000 per acre for the tract.

According to Mr. Giles, the City of Austin is involved in a law suit against the owners of the property because of two years of back taxes now owed on the land. According to Mr. Klitgaard, reacquiring the land at \$1,000 per acre on foreclosure has very little to do with market value. He said that an appraisal for an estate tax can't be given too much weight either. Mr. Klitgaard noted that Mr. Miller has 114 acres of land down the road for sale at \$4,000 per acre and that this land in question is better than that which Mr. Miller is attempting to sell at \$4,000 per acre. He said that \$4,500 per acre is a realistic figure.

Councilmember Mullen moved that the Council reduce the land in value to \$3,000 per acre. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers
Goodman, Mullen
Noes: Councilmember Trevino
Not in Council Chamber when roll was called: Councilmembers
Himmelblau, Shell

ADJOURNMENT

The Council adjourned at 10:00 p.m.

November 8, 1978

APPROVED:

Charles Keeton McCluskey
Mayor

ATTEST:

Grace Monroe
City Clerk