

## August 2017 Column

It's always interesting to me how people react to a proposed building, business or roadway that they perceive as unneeded, unwanted or downright offensive. We can always expect the complaints to say that it will create noise, traffic, and will ruin property values. Those are all valid concerns, and they are some of the primary reasons we have zoning ordinances. By the way, zoning ordinances exist to maximize human comfort, efficiency, and productivity in the various areas of a city. It's one of the benefits of living in a city. Just thought I'd throw that in there for all the anti-annexation folks.

However, we have to grow. Growth has to happen to provide jobs and wealth along with the retail, restaurants and entertainment that our citizens demand.

It's hard to argue with the fact that growth creates traffic. And traffic creates noise. It's just a given. But ruin property values? That very rarely, if ever happens. In reality, the more traffic that occurs, the more valuable the property becomes. That has been proven all over this city, and in cities everywhere.

This brings me to another observation that I always find interesting. Naturally, people want their property values to rise. Capital appreciation of real estate is the single biggest builder of wealth in the country. In many cases, home equity is the only real savings some families are able to accumulate. They want their property value to rise like a rocket... until tax time comes. You all recognize this syndrome, and it's affecting a lot of people in Seguin right now. Our property values are rising, and that's a good thing, as I will explain later.

Unfortunately, the city is limited to just 2 main methods of raising revenue to pay for things such as streets, parks, and police and fire protection – They are property tax and sales tax. These expense items are all in what's called the "General Fund". There are other revenues received through user fees and utilities, but they are designated for use only in their respective categories.

So, if we are going to concentrate on improving our streets and adding better services, the money has to come from somewhere, and that somewhere is mainly property taxes. Over the past year, our tax rate was 54.12 cents per \$100 evaluation, and it looks as if that rate will remain unchanged for the coming year. That probably doesn't mean that your taxes will remain unchanged - Unless you are lucky enough to be a senior citizen (like me), and your taxes are frozen on your homestead. Ah yes, one of the great pleasures of getting older... frozen taxes!

Yes, you may be paying a bit more, but you will also be wealthier. The average value of a home in the city of Seguin is now \$148,000 – That is up \$10,000 from last year. As I remember it, the average value of a home here in 2012 was only about \$115,000. That means we are building wealth, and that is a good thing. That means people want to move here because we have jobs and a great quality of life – also good things.

Nobody wants to live where taxes have become overly burdensome. I surely don't. It is always difficult for a public servant to balance the needs, wants and desires of the public with a reasonable, fair tax rate. All taxpayers want and deserve getting fair value for their hard-earned money. City staff and City Council try to perform that delicate balancing act every year at this time during budget season.

On the other hand, believe me when I tell you that nobody wants to move to a place where property values are falling. That means people are not working, and quality of life is deteriorating, and business stinks. It's not a happy place to be.

We know we still have a lot to fix. We know we want to keep adding and promoting entertainment and culture within the city. We still have a lot to do, and it takes money to do it.

So... we will continue to fix what we can, when we can, as fast as we can, with what we've got.

Gosh, I love this town!