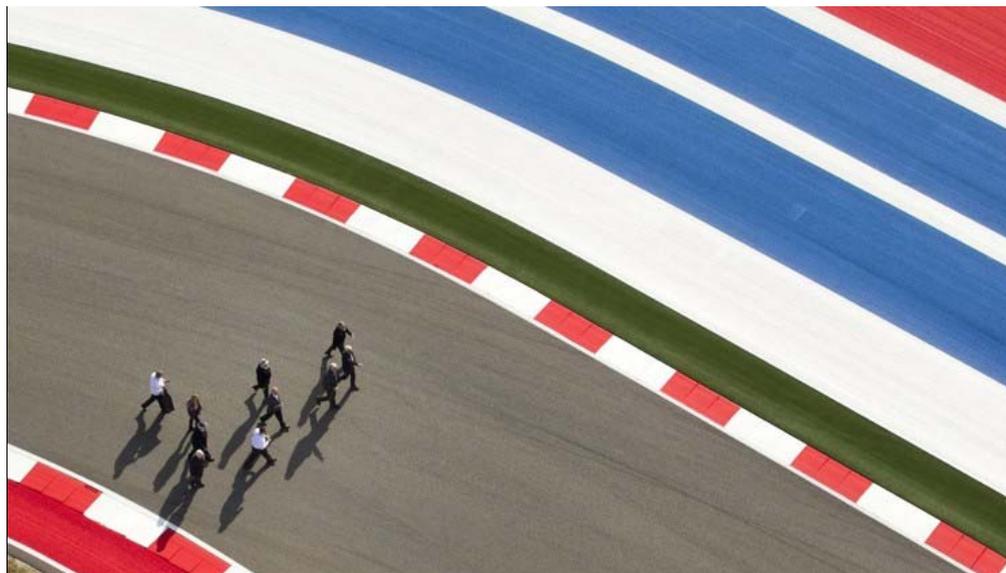


# Commentary: Before Austin offers tax incentives, let's see if they work

OPINION By Bill Aleshire - Special to the American-Statesman



2



Formula One officials inspect the track in preparation for the F1 United States Grand Prix at the Circuit of the Americas in 2013.

Updated: 12:55 p.m. Tuesday, September 12, 2017 | Posted: 12:40 p.m. Tuesday, September 12, 2017

---

The current Austin mayor and City Council have largely avoided the big tax incentive battles of their predecessors. However, now they are signaling that they are ready to start giving tax incentives to compete for Amazon to create a new headquarters here, employing up to 50,000 people in high-paying \$100,000-average-paying jobs.

I don't see enough questioning by our leaders of whether our local governments should fan the flames of more growth of 50,000 new Amazon residents plus their families. There is a false assumption that growth is always good — and that the faster and bigger that growth is, the better.

How is any Amazon deal good for people who already live in Austin?

**CITY HALL: Council revives talk of renegeing on Domain deal as budget vote nears.**

What do you think happens to the real estate market and cost of living for current residents when tens of thousands of people move here who are wealthier and have more buying power than current Austin residents? You don't have to guess; just look around. What has this kind of growth promotion by Austin done to housing affordability, traffic, schools, gentrification, the environment, or increasing need for expansion of government budgets and property tax increases? Give an honest, informed answer to this question: How have tax incentives and the resulting growth benefited common folks who lived here already?

History shows that this growth does not pay for itself. It drives up the cost of living for current residents. These big-shot corporations brag about building expensive buildings — \$5 billion in Amazon's case — but do they pay property taxes based on those values? Of course not; they either get property tax breaks to begin with or they protest at the appraisal district the same values they bragged about when making their pitch to the City Council. Look at Circuit of the America's contested tax appraisal; it got \$14 million cut from its property tax bill over three years after a settlement.

The net effect is that the rest of us pay more in taxes and utility fees when our elected officials offer freeloader status to companies who cause growth that does not pay for itself. If voters use their votes to protect themselves, they will never vote for a candidate who supports government incentives to pile this expensive inflationary growth on Austin. Logically, it should be political suicide for a politician to vote for tax incentives for Amazon while refusing to support a homestead exemption or tax freeze for Austin homeowners. All voters should be united in opposing such tax incentives.

We've seen this movie and it's lying script before. Here we go again with the fuzzy math hype; the lack of any true-up to see if past promises of direct or indirect benefits to local residents ever occurred; continuing secrecy about ethnic and gender statistics of the employment practices of tax-benefitted companies; unenforceable and unaudited tricky concessions in the tax deal that give knee-jerk politicians some cover for practicing suck-up politics with potential campaign contributors; and the stoked frenzy of prideful image puffing, ego-based "competition" with other cities.

**FOLLOW US ON TWITTER: Viewpoints delivers the latest perspectives on current events.**

This is more about heaping largesse on the owners of incentivized companies and the cadre of real estate, title and economic consultants who thrive on such growth. A deal like this allows our mayor and City Council to strut around at news conferences showing they have "big ideas" and "vision."

But history shows they are blind to the real consequences on their real constituents. Such deals do nothing real for most people in Austin who are struggling to hold on to what they have. The enormous problems we see now — unaffordable cost of living, stretched infrastructure and resources, and maxed-out tax increases — are the predictable result of the pro-growth-at-any-cost practices of the past. Have we learned nothing?

*Aleshire is an Austin attorney and former Travis County Judge.*

---

---



ADVERTISER CONTENT: Ulta Beauty

### Which Shampoo and Conditioner Should You Use? Here's the Best Guide

---



---

## Reader Comments <sup>2</sup>

---



---

### Next Up in Opinion



#### Commentary: Book considers Trump's mental health. Let's discuss our own

by Mary E. McNaughton-Cassill, *Special to the American-Statesman*

A new book, "The Dangerous Case of Donald Trump: 27 Psychiatrists and Mental Health Experts Assess a President," has just hit the bookstores. It is drawing attention both for its topic and because it breaks the taboo against mental health professionals

speculating on the mental health of a public figure. And yet, when Sen. John McCain...



#### INSIGHT: Are self-driving cars future of mobility for disabled people?

by Srikanth Saripalli, *The Conversation*

Self-driving cars could revolutionize how disabled people get around their communities and even travel far from home. People who can't see well or with physical or mental difficulties that prevent them from driving safely often rely on others – or local government or nonprofit

agencies – to help them get around. Autonomous vehicle...

#### Commentary: America's peeling back Obama Administration's red tape

by Kevin D. Roberts and Drew White, *Special to the American-Statesman*

There is nothing quite like the power of American ingenuity and innovation. And nowhere in the country is there a better example of economic growth and empowerment on display than right here in Texas. A primary reason for that? Freedom. Specifically, there is simply less government intrusion into the daily lives of families and businesses because we...



#### Viewpoints: Central Texas has incentives — but what can Amazon return?

by Editorial Board, *Special to the American-Statesman*

With the deadline approaching, Austin and Central Texas leaders are scrambling to put together a proposal for wooing Amazon to the region, knowing they are competing against upwards of 200 cities in the U.S. and Canada for a project so huge — \$5 billion — it's

considered an economic transformer for the community that lands it. It's quo...



## Commentary: Texas' cost of defending discrimination is simply too much

by Janai Nelson, *Special to the American-Statesman*

Democracy costs. To be sustained, it requires time, deliberation and constant vigilance. These costs are high enough. But some states are manufacturing additional costs to undermine our democracy.

Texas' dogged defense of its racially discriminatory voter ID law is a prime example. For the fourth time in three years, a federal court has declared...

### More Stories

## Popular in News

1 Hays superintendent's ouster linked to teacher investigation

2 Austin City Limits: Free tickets are back for city officials

3 MORE MOPAC CONSTRUCTION: Work on south end to start in January

[NEWS ▶](#)

[CUSTOMER SERVICE ▶](#)

[MARKETPLACE ▶](#)

[SOCIAL MEDIA ▶](#)

[TOP ▲](#)

© 2017 Cox Media Group. By using this website, you accept the terms of our [Visitor Agreement](#) and [Privacy Policy](#), and understand your options regarding [Ad Choices](#) . [Learn about careers at Cox Media Group](#)