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Dear Client:

Just because Austin voters resoundingly voted against an urban rail line in downtown Austin doesn't mean an end to rail discussion of a different kind. How about a passenger train that runs from Georgetown to the north, then smack-dab through Austin, south to San Antonio?

The Lone Star Rail District (LStar) is not a new idea and it will take a long time to implement, if at all. **The commuter rail proposal is complicated and involves key communities and counties along its proposed route.** They have put up planning money so it can move forward. And this is the immediate rub: it's time for some of those governmental entities to re-up or sign new agreements.

How would this ambitious plan to move people via rail work? **You know the active freight rail line that weaves in and out of Loop1/MoPac?** It's owned by the Union Pacific railroad and runs the length of Texas right up the gut. Well, **LStar wants Union Pacific to re-locate this rail line – to the east of Austin.** That's a big hurdle right there, but the required environmental impact study is already underway.

If Union Pacific agrees to re-locate, Lone Star plans to run up to **32 trains per day, seven days a week** along the old freight route. In Austin, LStar is talking about **seven passenger stations.** It also plans **express service from downtown Austin to downtown San Antonio** – a trip that would take 75-minutes.

How much will this baby cost? A bunch, with the total beginning with a “b,” as in billion. The source of the money will come from each of the governmental entities bisected by the rail line. And that money will be used as leverage to gain state and federal funds.

The Austin City Council is being asked to make a decision on amending and extending its agreement with the Lone Star Rail District at its final meeting December 11th. And “final” is the operative word here. The makeup of the next City Council will be determined in the December 16th runoff and only one member of this current council will be on the new council as it begins its term in January.

Speaking of the runoff, check out the next item where we dissect a very rare, hard-hitting ad that ran this week – **not for/against candidates, but against a political consultant.**

An extraordinary political ad surfaced this week in the *Austin American-Statesman*. First of all, it was huge – an expensive 4-color, double-truck two full pages. Secondly, it was an ad slamming David Butts a political consultant, as the man who “controls the Austin City Council.” It said “Stop electing David Butts’ candidates.”

In large shadowy type, the headline on the bold ad read: “A virtually unknown, seldom seen, rarely photographed, never elected invisible man controls the Austin City Council.” The subhead continued: “**Did you ever wonder why, no matter how much we vote for change in the way city government works, nothing ever seems to actually change?** The biggest reason: David Butts, the Invisible Man. **Hiding in the shadows, he has kept mayors and council members under his thumb for decades.** But it’s time for him to go.”

At least in recent memory, Austin city elections have not generated ads such as the one this week. **This is not your normal political ad. A whisper campaign is the most you’ve seen where political operatives are concerned.** However, Butts is well-known in City Hall political circles for his amazing record of electoral success. Now he has a target on his back.

The ad claims “**Butts gets his candidates elected by orchestrating a web of endorsement groups and bundlers of campaign donations.**” Then after the election, the ad claims **Butts “is the puppeteer who, working behind the scenes, pulls the strings of his council members to make things happen.** Special interest groups and individuals are well aware that David Butts is the man to make your problems go away.”

Obviously, Butts is not on the ballot for the December 16th Mayor/Council runoff election. So **what does the ad campaign hope to accomplish? Defeating candidates who are associated with Butts.** The ad lists four runoff council candidates under the heading “Vote Against Butts’ Candidates in the Runoff.” And then it singles out:

Greg Casar, District 4 ... **Leslie Pool**, District 7 ... **Ed Scruggs**, District 8 ... and **Mandy Dealey**, District 10.

“Why should candidates have to bow down and deal with David Butts just to have a chance of being elected? In the guise of being a ‘progressive’ he is subverting both our city and county governments and their election processes,” claims the ad. “**Butts has simply become too powerful and too embedded to tolerate any longer.** Let’s drag David Butts, his methods and his cronies out of the shadows and out of City Hall. Stop electing David Butts’ candidates.”

It is rare for such an in-your-face approach aimed at a political operative in a City Council campaign. So, who scraped up the money and put this ad together? Good question. All the ad indicated was that it was paid for by the Coalition of Austin Neighborhoods Political Action Committee, **Ian Marcotte**, Treasurer.

Move over Austin. Make way for Midland. The Austin metro has been gaining national acclaim for singing the same top-rated “job creation/low unemployment” song for years. Now the Midland metro is whistling that tune.

Don't take this the wrong way. Austin is still the envy of many metros as it continues to make great strides in both categories. **After all, creating jobs at a 3.4% annual rate while logging a current 4.0% unemployment rate ain't too shabby.** In fact, it is something to be proud of. But, frankly, it pales in comparison to Midland.

Riding another major oil boom in the humongous Permian Basin shale oil play, Midland is posting really scary success numbers. **Midland leads the state with an amazing 2.5% October unemployment rate. And it tops the state's metros, by far, with an employment growth rate of 7.2% from October 2013 to October 2014!**

You see the comparable Austin metro numbers in the 2nd paragraph above which, by the way, improved in both categories. **The state of Texas comparable average unemployment is 4.8% and employment growth rate is 3.9% -- a state record for annual growth rate.**

Interestingly, all 26 Texas metros **except Wichita Falls and Abilene** created more jobs.

New USCensus data released Thursday shows Austin is the fastest growing big city in the state and the 3rd fastest in the nation. But its percentage growth is nothing compared to nearby Pflugerville's.

Of course, when you start with a smaller population base such as you have in Pflugerville, the percentage increase can jump dramatically. But, this doesn't diminish the impact on a community. **Pflugerville, according the official USCensus, had a population of 16,335 in 2000 and it jumped to 50,127 – a whopping 206.8% growth rate. Staggering.**

Even though overshadowed by Pflugerville's awesome growth, other cities in the Austin metro also showed amazing population increases in this just-released official report. Some examples: **Georgetown's population increased by 77%, Round Rock grew by 70% and the population of San Marcos grew by 39%.** FYI, **Houston's** population (also fueled by the oil boom) grew 9.2%, the **Dallas** growth rate was 2.8% and **San Antonio's** population jumped by 18.7%.

Remember, these official census figures lag behind what is happening in real-time. The cutoff was 2013. And, **by most measures, the growth rate and job figures haven't slowed their trajectory during 2014.**

How many special events did you attend on downtown Austin streets in the past year? I mean, really *attend* – not just worked your way around them. Five? Ten? Twenty? Okay, let's be generous and say you attended 20. That's only one-fifth of all street events that tied up traffic and cost taxpayers in overtime police pay, placement of barricades, clean-up, etc. last year.

Granted most street events occur on weekends when office buildings and state offices are at reduced capacity. **But many of those weekends overlap into weekdays**, especially when the larger events -- such as South By Southwest, Texas Book Festival, Formula One, Longhorn football games, ACL Music Festival, any number of foot races and parades, etc. -- require **preparation, set-up and tear-down time**. And, of course, "downtown" for this discussion spreads out to include both sides of Lady Bird Lake, up to streets that are blocks away in all directions. Now there are 100 different outdoor street events each year.

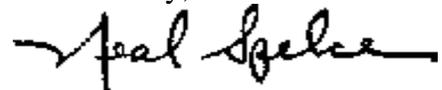
The impact? Well, look back over your shoulder. **Every weekend from September up until this week had at least one special event**. And, going forward a few months, **each weekend from late February through June has special events currently in the permit process**. And multiple events are slated to overlap many days (think mid-March!).

More than a year ago, we light-heartedly suggested **Austin's motto should be changed to "Event City,"** instead of "Live Music Capital of the World" because of the many events. Now, the City of Austin is yelling "no mas," and "stop for heaven's sake!" **It has a declared a moratorium on all *new* special events in the downtown area for the next two years.**

The city didn't really come right out and say there were too many events. Instead, it cited the **many ongoing public and private construction projects** as reasons for holding off for now on scheduling any *new* street events. The bottom line: congestion will continue unabated. And it may even get worse during the moratorium as more people move to the area.

Speaking of events, **Dr. Louis Overholster** gives an A+ for honesty to football coach Erk Russell who said "At Georgia Southern, we don't cheat. That costs money. And we don't have any!"

Sincerely,



Editor/Publisher