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Dear Client:

Finding a speedier way through downtown Austin seems to be moving at a snail's pace. But it's moving nonetheless. In fact, as we speak, a big push is underway behind a specific option for upgrading IH35. The Texas Department of Transportation (TxDOT) is considering two very different plans that would reduce congestion. And, one option has emerged as preferred by a large chunk of landlords, landowners and downtown merchants. Here's the lowdown and we do mean "low."

TxDOT is conducting its environmental study of the downtown IH35 Corridor and has **narrowed its choices to a lowered option or a raised design plan.** Currently it's in the "comments from the public" stage, and a major move is underway on behalf of the *lowered* option. Here's a brief examination of the two plans between 15th and Cesar Chavez.

Raised Option. The existing highway would be modified by adding 2 lanes in each direction, utilizing current shoulders, elevating current depressed southbound lanes to be **built alongside the already raised highway.**

Lowered Option. The portion between 15th and Cesar Chavez would be lowered and two lanes would be added in each direction. Infrastructure would be created to accommodate a **cap over sections of the lowered lanes. A park is envisioned on top of the cap.**

Those pushing for the lowered option cite a number of arguments, including setting up Express Lanes that would be toll-free for buses. **This, they argue, would encourage the use of public transit and help remove vehicles from busy roadways.** And a lowered, covered roadway would reduce noise pollution in the area.

All this is happening as Thursday, 9.1.16, TxDOT named its 100 most congested roads in Texas. And you guessed it, **IH35 between US290 on the north all the way to Ben White Blvd on the south was the 2nd worst segment in Texas.**

We needn't remind old-timers that IH35 used to be called "The Interregional" 50 years ago, and even when it became of a part of the ambitious Mexico-to-Canada IH35 system, **drivers still had to stop in downtown frequently to let railroad trains cross the expressway.** So, current planning is a vast improvement.

Slap dab alongside the just-discussed IH35 improvement area, one of downtown's largest new developments took a major step forward this week. The project encompasses 14-acres at East 15th and Red River streets resulting from the demolition of the University Medical Center Brackenridge campus. Some to-be-built facilities will rise more than 35 stories. A formal call for developers went out this week -- potentially generating responses next month.

It's hard to overstate the economic importance of this project adjacent to the new UTAustin Dell Medical School. As envisioned by the architectural/design firm, Gensler, this **yet-to-be-named project will likely include health-related facilities such as medical services, research and technological innovation firms.** But, it will be more than that. Much more.

It could include pedestrian-friendly streets, open green spaces, retail, restaurants, office space – even hotel operations (as if Austin doesn't have enough hotel rooms in the planning/construction phases – see our archived 8.26.16 edition). How many square feet of facilities? Gensler indicates it could come close to 4 million sf. That's a bunch.

So, who is doing all this? The City? UTAustin? The State? Nope it is the local Central Health organization that owns the land. **Central Health is run by Travis County and its principal mission is to care for uninsured and low-income residents.** Central Health is looking to offset at least \$32 million a year revenue it will lose when Seton moves out of Brackenridge into the new Dell Seton Medical Center teaching hospital scheduled to open late next spring.

Even as the UTSytem is nearing completion of a large new high-rise office building downtown for System employees, Chancellor Bill McRaven says he is reducing the System Administration headcount. He's even mentioned "a reduction in force," if necessary.

Just to reiterate, UTAustin is only one of 14 educational institutions within this UTSytem. Over the past few years, **the number of employees in the UTSytem has increased more than 150 as some individual campus functions were centralized at the System level.**

"I think we can, and should, create a leaner System Administration without sacrificing the service and support we provide to the fourteen institutions," McRaven said this week. "To make that happen, **we plan to reduce headcount by at least 130 Full Time Equivalent positions, by the end of the 2017 fiscal year.** Some of that has already been implemented through a soft hiring freeze."

"In addition," McRaven said, "we have established a voluntary separation incentive program and in the months to come we will explore outsourcing opportunities and, if necessary, a reduction in force. We are working hard, on multiple fronts, to make sure we are **running the UTSytem with as much, if not more, financial discipline as any private sector enterprise.**"

Sure, energy-capital Houston is feeling the effects of the Texas oil/gas downturn. But, to its credit, its big-time diversification in the health care business is fueling healthy economic growth. In fact, it is providing a real-world model for Austin as it ramps up its emphasis on the health care sector.

There have been layoffs, and even bankruptcies, in many energy-related enterprises in Houston. This has had an adverse effect on Houston's overall economy. But when you drill deeper, you find **the health-related economy – especially commercial real estate – is doing quite well, thank you.**

According to Colliers' Mid-Year 2016 Medical Report, Houston's healthcare and social assistance job growth is "**extremely healthy**" – **growing 12.7% in three years**. More than 116,000 sf of medical office space was absorbed in 1st quarter 2016. Not only that, more than 2 million sf of medical office space is currently under construction in Houston.

While on the topic of real estate -- this time, residential -- the personal finance website WalletHub ranked six Texas markets in its Top Ten list of the nation's Best Real Estate Markets. Austin did well. But take a look at what is happening in North Texas.

This is quite impressive. **Frisco #1 ... McKinney #2 ... Richardson #3 ... Allen #6 ... and Plano #9**. The North Texas dominance was broken up by **Austin** at #5. WalletHub's analysts compared 300 US cities using 16 metrics. Those included percentage of **underwater mortgages**, number of days homes were on the market, percentage of **homes selling for a gain**, housing affordability and maintenance affordability.

Five seats on the 10-member Austin City Council will be on the ballot when you vote for president November 8, 2016. Now that the filing deadline has passed, here are those running for City Council (all councilmembers are seeking re-election; incumbents listed first).

District 2 (Southeast Austin): **Delia Garza ... Wesley Faulkner ... Casey Ramos.**

District 4 (North Central Austin): **Greg Casar ... Louis Herrin ... Gonzalo Camacho.**

District 6 (Far Northwest Austin): **Don Zimmerman ... Jimmy Flannigan.**

District 7 (Central Austin): **Leslie Pool ... Natalie Gauldin.**

District 10 (West Austin): **Sherri Gallo ... Alison Alter ... Robert Atkins Walker ... Nicholas Virden.**

The remaining five council seats will be up for a vote in two years. When this 10-member council was first elected, the members "drew straws" to determine who would get 2 or 4 year terms, so the entire council would not be up for re-election in any given year.

Fifty-three years ago yesterday (8.31.63), a bright young graduate of Austin High School (AHS) first looked into a TV camera, spoke into it, and got paid for it. Saturday, one of the nation's most-lauded TV sportscasters, Verne Lundquist, begins his farewell season broadcasting football. The 76-year-old CBS play-by-play man will be 100 miles down the road in College Station describing to a national audience the action in a TexasA&M/UCLA season-opener football game.

Lundquist began his sports broadcasting career at Austin's KTBC-TV, Ch. 7, after serving as a cheerleader during high school at AHS. (Little-known sidebar: his summer camp cheerleading coach was former US Senator **Kay Bailey Hutchison**. Second little-known sidebar: **he was known as LaVerne Lundquist at AHS. Wonder why he shortened his first name**).

The Associated Press reported this week: **"Lundquist has become an adored figure by many college football fans, a fixture on Saturday afternoons at the Deep South's biggest games ... helped narrate the SEC's rise to being the most powerful conference in college football. SEC teams have won eight national titles in the last 10 seasons."**

Even though Lundquist says "I don't want a victory lap," **CBS will honor Lundquist's career at the Army-Navy game December 10th to end college football's regular season.** Next season, Lundquist will be replaced by play-by-play veteran **Brad Nessler**. Lundquist, by the way, has been a key part of **sporting events that have had some of the the highest ratings in history**, including The Winter Olympics. Also, his unique call of an amazing golf shot at the Master's ("In Your Life!"), has become a catchphrase of sports reporting.

Oh yeah, at that Aggie game Saturday, the 12th Man student body has been told to **end the tradition of standing on top of the bleacher seats** and instead stand in the concrete aisles in front of their seats.

Dr. Louis Overholster says it'll be interesting to see how Lundquist will report how that long-standing (groannnn!) Aggie tradition is enforced.

Sincerely,



Editor/Publisher