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Dear Client:

There's a big pot of money that flows regularly into Austin's government. It's growing by millions of dollars each year. It's not tax money taken from you. It's tax money paid by people who don't live or work here. Near the end of this month, the Austin City Council will hear suggestions for how the money could be allocated. Many local entities want a piece of the pie. And one big chunk of it could be used to greatly increase the growing annual amount.

We're talking about the Hotel Occupancy Tax (HOT). When the Texas Legislature enacted the tax 30 years ago, it allowed cities to increase the tax, with those dollars going directly to the cities. **In Austin's first fiscal year of assessing the HOT, the city received almost \$6 million.** Not bad. But after the growth of the lodging industry and a huge increase in tourism and convention business, the most recent full fiscal year ending in **August 2016, the HOT had mushroomed to more than \$87 million.**

The primary push for the HOT was to raise money to promote tourism and to build convention centers. Over the ensuing years, the uses for those funds expanded to include **promotion of the arts** that directly promoted tourism and hotel activity. The same for **historical restoration and preservation.**

For the last few months, **the city's Visitor Impact Task Force has been studying the way the HOT revenue has been spent.** A number of suggestions are being considered, with talk about funds being distributed geographically and culturally throughout the city. Their report will go to the Council for final consideration.

The current discussion on allocation of the HOT funds also includes a biggie this time around -- major expansion of the successful Austin Convention Center (ACC). It's a big bucks issue. **The backers point out the ACC is losing business regularly because it is too small to handle the groups that want to meet in Austin.** (Hey, even hometown Dell is going to hold its next big gathering in Las Vegas because it cannot fit into the ACC.)

Some say the HOT is the "goose that lays the golden egg" and they want to fatten the goose with the ACC expansion, so it can lay even more golden eggs. **But will disparate interests nibble away at the money, stopping the ACC expansion?** Stay tuned to see if the City Council takes a short-sighted or a forward-looking vote.

Okay, so the Austin Convention Center (ACC) is not the largest in the US. You can drive around the perimeter and say “looks pretty big to me.” So, what is the basis for seeking an expansion? The answer is what’s inside: exhibit space. The more exhibit space, the more money associations, corporations, etc. can make by selling the space to suppliers/vendors who want to get in front of their convention goers. How does ACC compare on that basic metric?

It’s not even in the top five (Chicago, Orlando, Las Vegas, Atlanta and Louisville). It is even behind Dallas, Houston, and Fort Worth in Texas. In fact it ranks #48 in the nation.

Don’t know if you’ve seen all the smoke pouring out of the state capitol as the red-hot issue of sanctuary cities was debated with heated rhetoric, protests, demonstrations and arrests. The final bill passed the Senate Wednesday, and the governor will sign the bill because he made it a priority at the start of the Texas Legislature’s session in January. Let’s boil it down. Here’s what’s in the bill as it heads to the governor’s desk:

If sheriffs, constables, police chiefs and local leaders don’t cooperate with federal authorities to honor requests to hold non-citizen inmates subject to deportation, they will be **subject to a Class A misdemeanor**. Okay, what does that mean? It means civil penalties can be imposed, **beginning at \$1,000 for a first offense and could climb to as high as \$25,500 for each subsequent violation**.

But the most controversial aspect was added to the Senate bill by House members. Some called it a “show-me-your-papers” amendment. **It allows police during even the most lawful routine of stops – missing tail light, running a stop light, jaywalking, etc. – to inquire about the person’s immigration status.**

Now what? The Senate accepted the House changes Wednesday with a simple party line vote and the bill goes to **Gov. Greg Abbott for his signature and then it becomes Texas law.**

But, this will not be the end of the debate and the controversy. **It’s entirely possible a lawsuit to stop the implementation of the Texas sanctuary city measure will be filed** – probably sooner, rather than later. What is the basis for such a suit? Don’t know. It’s too fresh. But it more than likely will involve Texas’ role versus the federal government’s immigration jurisdiction.

While this is a statewide measure, **Austin and Travis County were really the focal point. Sheriff Sally Hernandez** was elected after vowing to defy parts of the federal immigration law, and she has since been backed by other city and county officials. Don’t kid yourself. **The actions by Austin and Travis County have royally ticked-off the Republican-dominated legislative bodies and this sanctuary bill reflects their disdain.** It’ll be interesting to see how all this plays out after the legislature leaves town this month, not to return until January 2019.

Talking about politics, one of the Democrats’ leading lights and hope for the future – San Antonio Congressman Joaquin Castro – decided not to challenge Texas GOP Senator Ted Cruz next year. While this may give El Paso Congressman Beto O’Rourke a pass to get the Dems’ nomination, it doesn’t necessarily mean Cruz will *not* be challenged by the GOP.

Certain GOP power brokers are searching for someone to run against Cruz in the GOP primary. One whose name is bandied about as a GOP Cruz challenger is **Austin Congressman Michael McCaul, who heads the powerful US House Homeland Security Committee.**

Speaking of security, Austin Community College (ACC) broke ground this week for a premier law-enforcement training center in the Central Texas community of Kyle in Hays County.

A long-time mission of ACC is to offer courses that train students for jobs in the Austin area workforce. It has a successful track record of training students for such diverse occupations as nurses and high tech workers. This new campus will concentrate on turning out grads for positions in law enforcement. **It’s not just classroom work.** The facility features an emergency vehicle operations track, a tactical indoor firing range, **police simulation training space and specially-designed classrooms for emergency management operations training.**

An Austin businessman is the inspiration for a character in a NYC Broadway musical, that this week was nominated for a Tony Award (the “Academy Award” for stage plays). Kevin Tuerff, a UTAustin grad, had a life-changing experience when his airliner was grounded in Gander, Newfoundland, on 9/11. Now he’s written a book about his experience.

Tuerff was returning to the US by air when the attacks occurred on the World Trade Center towers and other US targets. Key airports in the US were immediately shut down, so his flight landed in Gander and remained there for days. **His experiences, while stranded with a large number of passengers from a variety of nations in an unexpected foreign destination, altered the course of his future.**

He has a long history of leadership and involvement in Austin, going back to his days as a student at UTAustin. After graduation, along with a partner, Tuerff founded a successful communications firm, EnviroMedia. He refers to himself as a “social entrepreneur” and recently sold his part of the ad agency to his partner.

His unique 9/11 experience, Tuerff said, **“opened my eyes to the global refugee crisis and how we treat the strange among us.”** He said he started “an international Pay It Forward 9/11 initiative to promote kindness to strangers.” His new book: *Channel of Peace: Stranded in Gander on 9/11.* The Broadway musical: *Come From Away* (nominated as Best Musical).

Pop quiz: how many permits impacting roadway right-of-ways did the City of Austin issue last year? Another question: how many special events were held last year in city right-of-ways? The answers to these questions indicate just how frequently your travel on Austin roadways is disrupted. You may be surprised by these numbers.

No matter where you go in Austin, when you have a conversation on just about any topic, the **top topic is probably traffic**. The discussion usually involves the amount of time it takes to drive from Point A to Point B. One impediment to driving efficiency are obstructions in your path or along your travel route. So how many obstructions have been placed in your way?

In 2016, the City of Austin's Transportation Department issued 16,883 permits for construction, permitting vehicles for hire, special events – you name it. This is a big number. And, it covers only those vehicles performing permitted activities, not the double-parker who is breaking the law.

Okay what about special events? Events that not only block certain streets and intersections, but usually add pedestrians to the area (after all, that is their reason for being). **More than a thousand special event permits – 1,061 to be exact – were issued by the City of Austin in 2016.**

All this is taking place as thousands of vehicles are added to the Austin area each year. Simply put, **this puts a perspective on your daily commute.**

The weather-maker known as El Niño could impact our weather this fall – or not. Seems the latest predictions call for a 50% chance El Niño will be in place this fall. Of course, this means there is a 50% chance it will *not* occur (would it be known as “El Nada” if it didn't occur?).

Dr. Louis Overholster says there is a technical term for a sunny, warm day which follows two rainy days. It is called Monday.

Sincerely,



Editor/Publisher