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Dear Client:

**This week the *Austin American-Statesman*, an important, venerable Austin institution dating back to the late 1800s, is under new ownership. Gatehouse Media, a national media giant, paid \$47.5 million for the news operations (real estate was not included). Will there be changes? You betcha. A lot of changes. Not this week. But soon. What can you expect?**

Assuming the price tag was a good deal for the buyer, you can further assume the **buyer is convinced it can do a much better job with the *Statesman*'s assets than the former owner.** Otherwise, why make the purchase? In other words, they obviously feel they can **make a lot more money** -- even at a time the revenue streams have been shrinking for years at the *Statesman*. How will this manifest itself?

**First of all there will be layoffs.** "That's inevitable" the new owner was quoted as saying. The *Statesman* is now part of a media behemoth. So you can expect some consolidation of functions, and that could result in job *increases* in certain areas, as well as *decreases*.

**Yeah, but what about reporters, writers, photographers, etc.?** Right now, only about 100 employees fall into that category. This is about half of where it stood ten years ago. So, the editorial staff is not likely to be hit with a meat axe approach. But some attrition is likely.

**You can look for Gatehouse to focus heavily on the digital side of the business.** Subscriptions to the *Statesman*'s digital offerings have grown, even as print subscriptions have dropped precipitously. This includes new approaches to advertising revenue (the mother's milk of publications).

**Also, bear in mind other *Statesman*-owned news assets were part of the sale, such as community newspapers** like the *Bastrop Advertiser*, *Westlake Picayune*, *Lake Travis View*, *Pflugerville Pflag*, *Round Rock Leader* and the Spanish language weekly, *Ahora Si!*.

And for what it's worth, Gatehouse Media also has another major presence in the Austin area. **The Center for News & Design opened in 2014, where more than 240 employees provide editing and design work for publications nationwide.** Add it up. It's a New Day for news and reporting in the Austin area, playing out over the coming months. Stay tuned.

**Wednesday of this week, the mayor of a major US city often lumped together with Austin on lists of the “greatest this-or-that” proposed charging tolls to drive into downtown. Seattle Mayor Jenny Durkan is looking at road tolls for downtown streets to reduce congestion and greenhouse emissions. Not long ago, Governor Andrew Cuomo said “congestion pricing is an idea whose time has come” for New York City. Is this a trend in the making?**

The Seattle mayor said the city’s transportation department is currently studying possible congestion pricing strategies to ease traffic through Seattle’s downtown core. Once the tolling study is done, she said the city would **“develop a strategy over the next few years to address congestion and transportation emissions through pricing.”**

No US city has yet enacted congestion pricing on existing downtown streets. So any such move is a long way off. But, we like to keep you informed on what might affect Austin in the future. **Certainly Austin’s downtown is getting more congested by the day – some of it because of city policies that reduce lanes for cars, and the reduction of parking.**

Seattle mayor Durkan recognized congestion pricing is a “heavy lift.” “We have to make sure that it is **paired with meaningful transit** because we can’t ask people to get out of their single-occupancy vehicles unless there are meaningful options, whether that is **buses, walking, bikes, or other public transit,**” she said. Durkan added: **Seattle needs to get more cars off city streets, make public transit and other alternatives more accessible** and reduce the reliance on fossil fuels.

Right on the heels of the Seattle mayor’s announcement, opposition surfaced. **“It’s yet another effort by the city of Seattle to penalize working families who depend on vehicles for mobility. This will have negative regional impacts, particularly on those folks who can’t afford to live near Seattle but do work there,”** said Mariya Frost, with a conservative think tank.

Similar toll systems are in place in big cities such as **London, Stockholm and Singapore,** where it can cost more than \$15 to drive into the city centers during peak periods. **New York City is getting pushback on its planning,** where a panel recommended **tolls of up to \$11 or more** on motorists entering the busiest parts of Manhattan.

**It won’t be long before City of Austin transportation staffers hear all about congestion pricing.** As one of 22 cities that are part of the 2018 Smart Cities Collaborative, Austin will participate in a discussion of transportation problems and solutions taking place April 16 – 17 in Denver. **Seattle and New York City are sure to discuss their congestion pricing plans,** and will likely be peppered with questions.

Other congested cities will probably be eager to hear their views. And, coincidentally, **the next meeting of the Collaborative will be in Seattle.**

**This newsletter focuses primarily on issues impacting the Austin area. But every now and then, we like to show how the state of Texas, and particular areas in the state, are faring. One report recently caught our eye. Demographers are now suggesting the Dallas/Fort Worth metro area could surpass the Chicago area as the nation's third largest metro.**

D/FW is rooted firmly as the nation's 4<sup>th</sup> largest metro. But, Chicago better look back over its shoulder. **D/FW is gaining population at the nation's fastest rate.** According to the new USCensus numbers, the Chicago metro area has about 9.5 million residents. But look at D/FW.

**The state's official demographer, Lloyd Potter, is predicting D/FW's population is expected to grow to almost 10 million by 2030.** In census figs recently released (3/22/18), the North Texas region added the most new residents of any metro area in the nation. He predicts this continuing population surge will surpass Chicago's population in about a dozen years.

**Speaking of the USCensus, it's almost time to count noses again – as has been done every ten years. It not only is an interesting exercise, it is very important. 2020 is the official census year. And two years out, controversy and concerns are already being raised.**

First of all, conducting the census is a complicated and difficult task under the best of circumstances. Many methods of counting are used, including door-knocking and mailed forms to households. **In Texas, it takes a small army of personnel to survey all 254 Texas counties.** And, it must be completed in a set amount of time.

All this matters for a variety of reasons. States with a growing population gain seats in the USCongress. And since the number of seats is capped, when one state gains a Congressional seat, another state gives up a seat. Based on projections, **Texas is likely to gain more strength as a voting bloc in the USHouse of Representatives.** The importance of this cannot be overemphasized.

Along with the apportionment of seats, money is at play. **How much of your federal tax dollars flow back from Washington to state and local communities is determined in many cases by the census results.** This includes, among many other things, funding for transportation projects and low-income housing.

Getting an accurate count is tough, if not impossible. **A census tract can range broadly between 1,200 and 8,000 residents. And in areas with higher poverty, it's often harder to count residents.** As an example, about 85% of the state's Hispanics live in census tracts that exceed the national average for low response scores in the past. Also, some fear that in the Hispanic community, there will be a reluctance to be counted due to immigration problems. You can expect to hear a lot more about the Census as the date nears.

**RentCafe reviewed residential real estate census data from 2000 and 2016. They broke down the data by ZIP codes – 11,000 of them around the US. They ranked them by several factors, including the increase in median home value. One Austin ZIP code made the Top 20.**

RentCafe refers to the ZIP codes as gentrification because it also ranks median household income growth, and populations holding bachelors or higher degrees. Houston had two ZIP codes in the Top Twenty, Austin and Fort Worth one each. Here is the Texas quartet.

**#3, 77003 in Houston.** This ZIP code had 284% boost in home value ... 71% increase in household income, and five-and-a-half times more people with college degrees live in this ZIP than in 2000.

**#6, 76102 in Fort Worth.** 323% increase in median home value ... 103% increase in median household income ... 122% change in higher education.

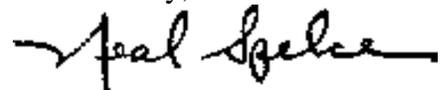
**#13, 78702 in Austin.** 212% increase in median home value ... 47% increase in the median household income ... 201% change in higher education. Boundaries for this ZIP are: IH35 on the East, East Martin Luther King Jr Blvd on the North, Airport Blvd on the West and the Colorado River on the South.

**#19, 77007 in Houston.** 107% growth in median home values ... 114% spike in median household income ... 188% in higher education change ... and the only ZIP with a median household income above \$100,000 in the Top Twenty.

Number one, by far, was **Los Angeles ZIP 90014** taking the gentrified cake with a staggering 707% increase in median home value and a 95% change in median household income.

*This milestone edition of this newsletter marks the beginning of our 40<sup>th</sup> year of publication. During the past 39 years – since 1979 – we have strived each week to put context into what happens in this remarkable Austin area. Thanks for your support. (Speaking of 1979, that was the year Dr. Louis Overholster joined a support group for procrastinators. They haven't met yet!)*

Sincerely,



Editor/Publisher