



Volume 40, Number 16

July 20, 2018

Dear Client:

The UTSystem should be nearing the end of its search to replace retired Chancellor Bill McRaven. There is no stated deadline and former UTAustin President Larry Faulkner is a very capable interim replacement. But, the Texas Legislature convenes in Austin in less than six months and a new Chancellor needs time to get up-to-speed on critical issues. One question: what should the Board of Regents pay to attract a world-class caliber candidate? Do the Texas Aggies hold the key to that answer?

No doubt about it, the job of UTSystem Chancellor is a tough one, overseeing as CEO **8 academic institutions** (including UTAustin) and **6 health institutions** that include **6 medical schools, 2 dental schools and 8 nursing schools**, among other professional programs. Consider this: **The UTSystem confers more than one-third of the state's undergraduate degrees and educates over half of the state's healthcare professionals.** This is a major responsibility. And, ancillary to this, the newly-named Chancellor will become an influential citizen of Austin.

So, what should the Regent's search committee pay to get someone of that caliber? **Start off thinking of an amount north of a million dollars a year.** The *Chronicle of Higher Education* released a 2016-2017 national salary survey this week. **TexasA&MSystem Chancellor John Sharp's salary was among the nation's highest at \$1.29 million for acting as CEO of 11 institutions.**

Even the president of the single campus TexasA&MUniversity in College Station, **Michael Young**, pulls down a \$1 million annual salary. By the way, UTAustin president **Greg Fenves** turned down a million dollar salary offer when he was hired in 2015 and now makes \$762,220.

The precedent has already been set. When he retired as UTSystem Chancellor earlier this year, **McRaven earned just more than \$1.5 million in combined base pay, bonuses and other financial perks during the 2017 fiscal year.**

The Board of Regents will hire the new Chancellor at whatever salary it takes to attract its chosen candidate. The search committee is headed by current Regents Chair and Vice Chair **Sara Martinez Tucker** and **Jeffrey Hildebrand**. They are joined by two former chairs, **Don Evans** and **James Huffines** and a former vice chair, **Paul Foster**.

When the US Army last week made the major announcement that Austin was selected over 100 original sites to become the headquarters for the Army Futures Command, all the right things were said about Austin's assets – educational institutions, tech-centered workforce, creative culture, entrepreneurship, diversity, quality of life, etc. True. Not to downplay those important attributes. But another factor was also critical to the decision. It was best expressed by Austin chamber chair Phil Wilson who referred to the "Austin Mega Region."

Too often we get caught up in our immediate surroundings, believing the wonderful accolades tossed Austin's way almost daily. But the Army, looking at the bigger picture, saw much more in the **wider region that would support the mission of the Army's most significant reorganization effort since 1973.** Consider:

Just 50 miles up the road from Austin is the Army's **Fort Hood, the largest military base in the world.** It can provide feedback and rapidly test prototype projects ginned out by the 500 employees of the Army Futures Command working in Austin. **Texas is one of the largest National Guard states, with about 20,000 soldiers** operating out of the Guard's headquarters just ten minutes (plus-or-minus) up MoPac at Camp Mabry. There's more in the Austin Mega Region.

Texas A&M, a university with a rich military legacy just more than an hour to the east, has already expressed enthusiastic support for the Army Futures Command. Also, **Joint Base San Antonio** is just down IH35 to the south. And, though much more distant, the Army's **Fort Bliss** in El Paso is a major installation.

There's another military component that speaks to the importance of this announcement to the future defense of the US. **This is a new four-star Army unit.** Here's what this means.

The commander of the Austin unit will be a four-star general. Why is this such a big deal? Well, for those not familiar with the ways of the military, **all you need to know is that, by law, the number of four-star Army generals is limited to seven. Just seven. Worldwide.** One of that number will become an influential citizen of Austin soon.

Four-star is the highest. Oh sure, under special circumstances, a five-star Army general has emerged. Such as former president **Dwight Eisenhower** and World War II heroes such as **Douglas MacArthur, George Marshall** and **Omar Bradley.** Obviously these designations occur only on rare occasions.

Another interesting side note: during the Cold War, Bergstrom Air Force Base (BAFB) was the headquarters for the 12th Air Force (prior to its conversion to city-owned Austin-Bergstrom International Airport). **B-52 bombers, stationed at BAFB, carrying nuclear weapons, were protected by Nike Missile bunkers in case of an attack.** So, the new Army Futures Command will be another significant chapter in Austin's notable military history.

Mike Levy, a frequent critic of the City of Austin’s downtown policies, is slamming the mayor, councilmembers and the city manager because he says they have personal “reserved parking spaces hidden in the bowels of City Hall” downtown. And this, Levy says, comes at the same time parking spaces are eliminated all over downtown and private vehicles are discouraged. He used the word “hypocrisy.”

Levy compared it to England: **“Austin’s royalty has privileges not enjoyed by the little people.” He also asked if the spaces are provided free as a fringe benefit.** If so, he cites possible IRS tax implications pointing out a fair market value of similar spaces in downtown is \$350+ per month. **For the mayor, manager and council members, “the back taxes, interest and penalties could hurt. A lot.”**

“As downtown parking spaces become increasingly valuable as the number of workers significantly increases because of the new office towers, the cost of parking continues to go up for everybody except possibly the mayor, the council members and the city manager,” he claimed.

Levy adds that **“their stated goal is to force people, most especially workers, to stop using their cars in favor of using buses or bicycles or walking to downtown.** For the majority of people, including the infirm and the elderly, these obviously are **not options because of distance and Texas weather and no convenient public transportation.”**

Levy’s larger complaint concerns city traffic congestion policies: **“The mayor wants to decrease congestion in the downtown area. Help me out here. Please. How does removing vehicle lanes for dedicated (empty) bus lanes decrease congestion?”**

It’s not just bus lanes that rile Levy. Especially as it relates to proposals for Congress Avenue. **“So more vehicular lanes and parking spaces will be given up for wider sidewalks, bike lanes running down the center, and no parking,”** he said. And it’s more than Congress Avenue. **“They have already made Colorado, Brazos and East 5th into two-way streets with loss of vehicular lanes to allow wider sidewalks and tree pots for cigarettes and benches for sleeping,”** with plans for other downtown streets.

Levy, who likes to exaggerate to make a point, says, **“At 5 pm, East 7th is backed up to Brazos with cars headed to IH35. Make it two-way, and it will be backed up to Johnson City. Austin’s downtown gridlock is already starting to make New York City look good.”**

He adds that **“more vehicle lane elimination is planned throughout the city,”** including The Drag (Guadalupe Street), adjacent to UT Austin’s campus. **“And so it goes,”** Levy concludes, **“where Levy’s Law of Life 23-E remains: Nobody ever died from using common sense.”**

It won't be official until the fall, but a preliminary look at National Weather Service data from a study referred to as Atlas 14, predicts increased severity and intensity of storms in Central Texas. Which of course means more severe flooding. Hard to believe as we try to survive the dry, daily 100-degree-plus temps this week. But, the study appears credible.

An Austin suburban city to the east, Manor, has been named by Realtor.com as #7 on a list of America's fastest-growing suburbs. It says "Manor has become nearly unrecognizable over the past decade," citing a USCensus population of just 1,200 in 2000 and last year, Manor's population climbed above 9,000.

What is it about Manor? **"Affordability is this community's key selling point,** with a median list (home) price at \$237,800, as compared with \$425,000 within the Austin city limits," according to the report.

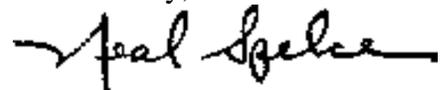
Realtor.com provides more detail about home value. Manor's three-year price appreciation is 23.6% and its **three-year home listing increase is a whopping 142.4%**. It says Manor has "lots of subdivisions filled with three-and-four-bedroom, single family homes."

More than 7,000 US ZIP codes were analyzed for this report.

Even though Manor is right up against Austin's city limits, "they don't have to go into Austin to have fun," observed the report. "They can take a tour of the **Banner Distilling Company, a small operation that makes vodka and whiskey.** Or they can go **horseback riding** at the White Fences Equestrian Center. (Disclaimer: Horseback riding and vodka don't mix!)"

Lamenting the announcement this week that the last of Austin's popular and iconic Night Hawk restaurant chain, The Frisco, is closing July 29th after 65 years, **Dr. Louis Overholster** moaned "the only things left open now for us old-timers are the cemeteries!"

Sincerely,



Editor/Publisher