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Dear Client:

UTAustin is without doubt one of the Austin area's most important economic engines. (Years ago we made a speech titled "If you want to stop growth in Austin, move the university to Amarillo!") So, how is UTAustin doing? Especially, how does it compare with other peer institutions? In the world? How about this: UTAustin rose ten points to be ranked #39 worldwide by one of the most respected global rankers of universities. Impressive.

The editors of *Times Higher Education World University Rankings (THEWUR)* singled out Yale University and UTAustin for making major advances this year. It attributed UTAustin's leap to "**significant increases in its institutional income and research volume.**" The ranking relies on a combination of reputation surveys and quantitative metrics in five areas: **teaching, research, research citations, international outlook and industry income.**

It's difficult to get detailed information on the specifics underlying THEWUR's ranking but, according to UTAustin, it "**correlates with recent expansions in research funding, research reputation and academic reputation.**"

UTAustin ExecVP/Provost **Maurie McInnis** said **investments in faculty compensation and interdisciplinary research, combined with the addition of the new Dell Medical School, are enhancing UTAustin's research impact.** (If memory serves us correctly, UTAustin's rankings have suffered in the past because most peer institutions boasted medical schools.)

And UTAustin's future appears even brighter. McInnis said "**by placing greater emphasis on doctoral programs and strategic hiring, the university aims to become even stronger in years to come.**"

Other Texas universities placing in the ranking include **Rice University (#86), TexasA&M (#159)** and **UTDallas** (lumped into a range of #201-#250). UTAustin has done well in several other *global* rankings: **Center for World University Rankings, #31 ... USNews&World Report's** latest ranking of **Best Global Universities (#32)** and **Nature Index's** ranking of #23 in the world for scientific research.

As its stature grows nationally and worldwide (and this growth is expected to continue surging), **UTAustin enhances much of what makes Austin, Austin.**

Austin and other major cities struggle with what to do about housing affordability and homelessness -- and how to pay for various solutions. Some blame well-paying jobs, primarily tech-related, for the affordability and homeless problems. The claim: these high-paying jobs push up home prices, making housing less affordable. So, these businesses should pay a local tax. Sound familiar? Seattle tried this, then backed down. Now, another variation is being tried. Where? San Francisco is putting its approach to the voters.

We first told you in May (check our Archives for the 5.18.18 edition) **the left-leaning Seattle City Council voted to tax local companies \$275 per full-time employee (this was a compromise; it started at \$500 per employee)** to raise big bucks to address the problem they felt was caused by the local companies. Well, the companies doing business in Seattle raised all kinds of hell, forcing the City Council to ultimately back down (see our 6.22.18 edition).

Now it's San Francisco's turn. National media coverage is reporting **the city now suffers from areas of squalor, aggressive panhandling, open-air drug use, and sprawling tent camps on city streets.** Some streets are so filthy officials launched a "poop patrol." A young tech worker even created an app, called "Snapcrap" to report the filth.

It is so bad, activists collected enough signatures to put a measure on a city ballot 11.6.18 that would **tax hundreds of San Francisco's wealthiest companies to raise money to help the homeless.**

San Francisco's approach is not a per-employee head tax. The effect, though, is the same -- hitting employers with a locally-levelled tax. **Proposition C would raise \$300 million a year,** nearly doubling what the city already spends to combat homelessness, according to the Associated Press.

The proposition is the latest battle between business and social service advocates who demand that corporate America pay to solve inequities exacerbated by its success. Seattle backed down from its approach. And, while it didn't get much notice, the city of Cupertino in July scuttled a similar proposal after a pushback from its largest employer, Apple.

But if voters approve the San Francisco ballot item in a few weeks, there probably is no backing down. The AP reports that half of the new revenue would go toward permanent housing, and at least a quarter to services for people with severe behavioral issues.

Will there be other cities following suit, taxing businesses who are bringing a level of prosperity to a community? No question San Francisco has a huge problem: a one-night count in 2017 found an estimated 7,500 people without permanent shelter, and more than half had lived in the city for at least a decade. The *other* question: **will this proposition, if enacted, provide one more reason for companies to pack up and leave San Francisco?**

Austin area home prices continue their climb. The Austin Board of Realtors reported the metro area's median home prices in September increased 4.2% over the same period a year ago. One blip: sales slowed a tad – down 0.9% year-over-year. You need to wait a few months to see if slowing sales are a trend. But prices? Well, they will likely continue rising, due to the continued increase in jobs that bring newbies to Austin, pushing demand.

Continuing the reference to affordability in the previous item, the rising price of homes obviously impacts affordability. But there's another factor. Interest rates. **Mortgage rates hover around the 5% mark, pushing monthly payments higher than last year (though still not that high compared to double-digit rates in the past).** Rates are going to increase. And, if prices continue upward, affordability will suffer.

Speaking of “increasing,” you know more travelers are using Austin-Bergstrom International Airport (ABIA) than ever before. Passenger traffic records are being regularly set. But, where does this rapid passenger growth rank among *all* US airports? Would you believe #2 in the nation – up 39% from 2007 to 2017.

Well, if ABIA is #2, which airport is #1? **Dallas Love Field ranks tops in the nation, up 47.5%** over the same ten-year time frame. And, even with the energy ups-and-downs experienced by Houston, **Hobby Airport ranked #5 in the nation, up 35%.** All this is just another indicator of how **Texas is thriving.**

While on the topic of transportation, the \$15 billion privately-financed Texas Bullet Train made a couple of major moves in recent weeks. It named an international consortium to lead the civil construction team that will build the passenger line from Dallas-Fort Worth through East Texas to Houston (with a Brazos Valley stop).

Okay, they've brought aboard the team to build the high speed line for the train. Who is gonna operate the train for Texas Central Partners LLC? **A state-owned Spanish company that has more than 25 years of experience in operating high-speed trains in Europe and other countries.** Renfe Operadora operates 5,000 trains daily on 7,500 miles of track.

A “speed” operation may slow down Austin travelers. The Formula One (F1) US Gran Prix race roars into town at Circuit of the Americas this weekend. The “slow down” will occur at the airport. Because of packed regular and special flights, airport officials say the busiest days will be Sunday evening, 10.21.18 and Monday 10.22.18. Normal travelers need to arrive a couple hours prior to departure time and bring along a boatload of patience.

Do you sometimes think Austin is becoming the Best Bike City in America? After all, since 2016 Austin has built 7.8 miles of protected bike lanes – the most of any bike-oriented US city, though San Francisco was a close second with 7.7 miles. In fact, in 2016 Austin was ranked as the #7 Best Bike City in America. So with this nation-leading accomplishment, has it risen in the rankings? Nope. It has plummeted to #13, with problems cited by an impartial source.

Bicycling magazine “sifted through thousands of data points and chatted with bike advocates and transportation officials around the country,” as it did in 2016, to come up this week with its 2018 ranking. **Seattle was #1 after ranking #5 in 2016.** But, let’s look at what it said about Austin slipping six points in two years, as far as being a good bicycle city is concerned.

The magazine points out “**Austin has a goal of doubling the number of people on bikes by 2020,**” but it says to do that “is going to take a lot of work.” In fact, it quotes an Austin bike backer as saying **Austin “is still pretty car-centric.”**

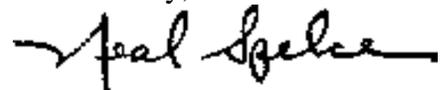
However, it does point out the City of Austin is committed to curtailing car traffic: “Unlike other cities, which have avoided removing parking at all costs, **Austin is plunging ahead with eliminating parking, even in key downtown areas. One of those projects is Guadalupe, one of the busiest streets in the city.”**

“In 2017, transportation planners proposed removing all the car parking in a 1-mile stretch and taking out two vehicle lanes as well. **The message this plan sent was clear: To keep Austin moving, we have to prioritize transit, pedestrians and cyclists – not cars,**” quoted the *Bicycling* magazine.

Exhibiting an optimistic view of Austin as a “Best City for Bikes,” *Bicycling* says “**Austin is focusing on its bus rapid transit lines and encouraging the growth of bikeshare and scooter systems.**” Scooters will be the subject of a future item.

Dr. Louis Overholster, always willing to try something new, took up bicycling. “So, Doc, what was the hardest part about learning to ride a bike at your age?” “The pavement!”

Sincerely,



Editor/Publisher