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Dear Client:

Tired of being asked for money when you stop at a traffic light? Fed up with those who sleep outside downtown businesses and use doorways or alleyways as restroom facilities? A plan to address these issues is awaiting Austin City Council action.

An Austin-commissioned study of 38 metro areas around the country showed many of these same issues are impacting virtually all US cities and that some cities are managing them only marginally better than others. Backed by the **Downtown Austin Alliance** (DAA) and many other organizations concerned about the lack of public order and the viability of downtown, recommendations have been prepared by Assistant City Manager **Rudy Garza** for presentation to the Mayor and City Council. The four primary elements include:

- + **Prohibiting sleeping outdoors** in the Central Business District (CBD);
- + **Prohibiting solicitation citywide** between the hours of 7 pm and 7 am;
- + **Prohibiting sitting or lying down** on sidewalks or architectural features of buildings anywhere within the CBD, regardless of whether one is creating an obstruction;
- + **Prohibiting roadside solicitation** from curb-to-curb, or on a median strip, anywhere inside the City limits.

The language recommended by Garza requires that **warnings be given before arrests are made, or citations issued**, for sleeping in public or sitting or lying down on a sidewalk. Law enforcement officials think warnings will be adequate to solve most of the violations and therefore wholesale arrests or citations would not occur.

While endorsing this proposal, the DAA feels there is **no single solution to this complex issue**, but that many issues contributing to public order problems must be addressed concurrently and collaboratively with other organizations. Having said that, the DAA said it views ordinance revision along the lines outlined here as “**a critically important first step** to improve public order for the benefit and protection of all citizens.” The proposed ordinance must still go through the public processes for which Austin is famous (notorious?). So the final effect of the various elements is still to be determined. Stay tuned.

For the first time this century, there are currently no new office buildings under construction in the Austin area.

Of course, “this century” is just more than five years old, but it is significant that construction of new office buildings has stopped – though not for long. Two new buildings have been *announced* (with no start date) for Southwest Austin, The Terrace VI and Rialto Park at Lantana Bldg. 3, according to **Charles Heimsath**, president of Capitol Market Research (CMR).

Heimsath thinks this **pause in new construction will speed the improvement in the office leasing market** (see our 1/25/05 edition), as expanding tenants will be compelled to take existing space. While pointing out “all of the year-end indicators are positive,” Heimsath cautions “that the recovery from the (office leasing) market bust will take some time.”

What about new office buildings whose construction was recently completed?

The Trinity Office Center was completed in July, 2004, adding 31,500 sq.ft. to the Central Business District (CBD). **It is currently 87.9% occupied**, according to CMR. Leasing activity has been very strong.

Eleven East, with 38,000 sq.ft., was completed this fall and it is currently 64.5% occupied. This completion was particularly significant because it is the **first new office built in East Austin since 1986**.

Also completed last fall was 901 West 38th Street. The 82,000 sq.ft. building, located **across the street from the Austin Heart Hospital** and two blocks from a Seton Hospital facility, is currently 69.8% occupied and has many medical tenants.

Office buildings in the Austin area continue to be attractive investment opportunities.

CMR reports that during the last six months of 2004, among the properties it surveyed, 16 multi-tenant office buildings were sold. Two biggies were in the CBD. **The Bank of America Center at 501 Congress** was sold in December to Walton Stacy Development Partners (old timers will remember the high-rise as the “black building”, originally housing the Austin National Bank at Sixth and Congress). Also, the **Capitol Center at 919 Congress** was sold to Moore & Associates. The buildings contained 343,000 sq.ft. and 164,044 sq.ft., respectively.

The remaining 14 buildings sold are located in the suburban market areas, with most of them along Capital of Texas Highway and MoPac Expressway, in the Northwest and Far Northwest market areas. The combined square footage sold was 2,109,539 sq.ft.

Heimsath concurs with our conclusion of last week — it’s still a tenant’s market, but rates won’t stay low very long. As he put it: **“Once the remaining large blocks of space have been absorbed, rents should begin to increase and the market will regain its historical strength.”**

When you flip on a light switch in the Austin area, you may be getting electricity generated by a number of sources ranging from nuclear power to West Texas winds. And wind power is increasing as a percentage of the total.

Additional wind-generated electricity began flowing into the Austin Energy grid this week from a new wind farm in West Texas. This more than doubles the clean energy now available to Austinites. With the addition of this project to the other West Texas wind power sources already under contract to the City of Austin's electric utility, **renewable resources will supply up to 6.5% of the area's energy requirements.** And it keeps Austin Energy on track to achieve its goal of generating 20% of Austin's electricity needs from renewables by 2020.

Austin generates its electrical power from a number of sources. Nuclear power, traditionally one of the cheapest sources, has been a part of the mix for years now – joining coal-fired power, generated from a power plant near La Grange, and power generated by natural gas. It even gets a small amount from methane gas released by decaying garbage in landfills near Austin and San Antonio. Wind power and decaying garbage are the new kids on the block.

Environmentally-conscious Austin Energy proudly trumpets its use of wind power, pointing out that since 2002 its GreenChoice program has been the #1 utility-sponsored green power program in the nation in sales. This year, Austin energy customers are **purchasing enough renewable energy to power more than 30,000 homes year round.**

It further points out that when Austin Energy uses wind power electricity, it ramps down power plants by a similar amount. Since 2001, this has resulted in a reduction of Nitrogen Oxide emissions in Austin by more than 700 tons and Carbon Dioxide greenhouse gas emissions by 680,000 tons. **This is the emissions equivalent of removing 30,000 cars from the road since the program began.**

Usage of green power is by subscription. You must sign up for it. The cost? Well, the average residential customer in Austin uses a little less than 1,000 kWh of electricity per month. At this level, **subscribers to GreenChoice pay an additional \$5 per month, versus non-subscribers.** But the charge replaces the fuel charge on their electric bills and it is fixed for the duration of the wind contracts. The standard fuel charge has increased as natural gas costs have risen.

Program participants include 7,400 residential customers and 300 Austin businesses. Of the 300 subscribing businesses, more than 279 subscribe for 100% of their electricity needs from renewable energy. **This gives Austin more than 100% more green-powered businesses than any city in America.**

By the way, the Austin GreenChoice program was named the 2004 Green Power Program of the year by the US Environmental Protection Agency and the US Department of Energy.

Increasingly, employers are being sued by workers who say they have been discriminated against because they have tattoos or body piercings. A new trend?

It's difficult to walk into many businesses in Austin, or public places for that matter, without seeing some form of body art (?) such as tattoos, piercings, dreadlocks or other different (?) hairstyles, etc. **This isn't a problem unique to Austin by any means – and that could be the problem.** The practice of decorating (?) one's body in this fashion is becoming so widespread here and around the country that many employers have adopted rules setting standards for their employee's appearance.

Lawsuits are springing up all around as a result of these standards. **The suits basically allege discrimination against employees based on personal appearance.** So far, courts have mostly ruled that employers have the right to set standards for employee appearance. But this hasn't stopped the filing of suits.

Some employers have taken the compromise route when faced with allegations of discrimination. For instance, our friends at *The Kiplinger Letter* report that Costco Wholesale's offer to let a cashier **cover her pierced eyebrows with bandages** won its case. Another example: Domino's Pizza gave up trying to get a Sikh to get rid of his turban and wear a standard Domino's employee hat. They compromised by **putting a Domino's logo on the turban.**

It's too early to say if these lawsuits will turn into a trend, but we thought we would give you a heads-up just in case. Austin's relatively young population – many of whom are following the body beautification (?) fad — and the penchant of many Austin businesses to hire young workers **make the area ripe for suits such as these** – especially if employers tried to institute anti-body-piercing or anti-tattoo rules.

Speaking of appearances, **Dr. Louis Overholster** claims that money is power, money is clout and money often times gets respect. To bolster his claim, he points out that if Donald Trump didn't have money, just how far do you think he'd get with that orange raccoon on his head!

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