

THE

Neal Spelce

AUSTIN LETTER

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Dear Client:

Who would have thought those wild and wooly West Texas winds could be responsible for an important Number One ranking for Austin, as well as provide help in forecasting hurricanes that menace the Texas and Florida coastlines.

Windy days and summer windstorms are a way of life for those who live on the flat, dusty plains of West Texas. On occasion those **windstorms pack enough fury to roar through Austin, depositing a fine layer of West Texas topsoil over Central Texas.** But, even though you may complain when you are buffeted by those breezes, there is a beneficial side to them.

University College London scientists developed a hurricane strength prediction system they claim doubles the accuracy of hurricane forecasts. One of the key components is a **measurement of July wind speeds over West Texas** and matching those speeds with measurements in five ocean regions. This new computer model was accurate in predicting the unusually active 2004 season when five very strong hurricanes in a row battered Florida and other Gulf Coast states.

These winds have another beneficial impact. If you've driven across West Texas in the last few years, you may have noticed the **old-style Western windmill has been replaced in large part by rows and rows of windmills that look like airplane propellers on a pole.** These are wind farms and they generate electricity. The City of Austin, through Austin Energy, buys electricity from the farms and re-sells this energy here in Austin under the umbrella of GreenChoice.

Austin residences and businesses have responded so favorably to this alternative of green power that **for the third year in a row, Austin has been named the #1 program in the nation in sales,** with sales of more than 334 million kilowatt hours (kWh). This was 72 million kWh better than 2nd place Portland Oregon, almost double the sales of Sacramento and more than four times the green power sold by Los Angeles, which has four times as many customers.

Austin businesses get much of the credit for this success. Some 352 Austin businesses are subscribers, 314 of which have subscribed for 100% of their annual energy usage. **This gives Austin more 100% green-powered businesses than any city in America.** In addition, more than 7,500 residential customers subscribe to GreenChoice. There's also a bottom line benefit. The GreenChoice charge is fixed until 12/31/13 – no matter what happens to other fuel prices.

You're not the only one getting older. The entire US is getting older. In fact, seniors will outnumber school-age children in many states by 2030. (No state had more elderly than children in 2000.) Where does Texas fit in this mix?

First of all, the *elderly* population in every state will grow faster than the *total* population over the next 25 years, according to figures released recently by the USCensus Bureau. Old folks are just not dying off like they used to. Better meds, better habits, healthier lifestyles are all contributing to longer lives. Also, the **oldest members of the baby boom generation will hit their 80s in 2030.**

The Census Bureau predicts the growth in the 65-and-older population will be about 3½ times the growth of the nation as a whole. It also forecasts **26 states will double their populations of 65+ by 2030.** States like Florida, Pennsylvania, West Virginia, Delaware, Maine, Vermont, Wyoming, North Dakota, New Mexico and Montana will have fewer children than elderly. Only Washington, DC will actually grow younger.

What about Texas? Obviously Texas will track this trend toward an older population and it will be among the fastest growing states in the nation. As you would expect, Texas, California and Florida will be the big population gainers. But, perhaps more surprising to you, **these three states will account for 46% of the nation's growth.** This is simply amazing.

Texas' population will jump 59.8% to reach 33,300,000 by 2030 to remain the 2nd most populous state behind California's 46,400,000 and ahead of #3 Florida's 28,700,000. Florida's population will move ahead of New York by 2010.

Texas will stay relatively young, even as our population ages. In 2030, the Census Bureau predicts the median age in Texas will be 34.6, in California it will be 37.4 and Florida will continue to be among the oldest with a median age of 45.4. **Texas median age will increase by only 2.3 years,** while California's median age will grow by 4.1 years and Florida's will zoom up by 6.7 years.

This has enormous implications as you plan ahead, both positive and negative. Just consider the workforce. **Texas will have a younger workforce than our competitor states. And Austin will stay younger than most areas of the state. This is a positive.** But employers will have to re-think what it will do with workers who want to stay active after what is becoming a relatively young age of 65.

What about social services? **There will be more demands nationwide (and, believe me, this will impact Texas) for services for the elderly by folks who probably don't give a hoot about school financing.** When you consider the intensive, complicated contortions impacting the current session of the Texas Legislature as it deliberates the seemingly never-ending school finance/tax quagmire, you can see where this debate may never end. Interesting times.

Except for the passions generated by a proposed extension of the smoking ban, the municipal elections next week (5/7/05) don't seem to have fired up much of the electorate.

You would think with two of the three Austin City Council seats wide open (with no incumbent seeking re-election), there would be a scramble-and-a-half to fill those seats. When **Daryl Slusher** and **Jackie Goodman** were prevented from seeking re-election due to term limits, the general wisdom was this is a rare opportunity to get "your candidate" on the Council, without the rigors of challenging an entrenched incumbent.

To some extent this has happened. In fact, it is entirely possible there will be a runoff in at least one of the Places because there is no clear-cut favorite in a crowded field. **But the fire and the passion that have characterized previous contests in the past don't seem to be present.** There is no discernible excitement in the electorate about this Austin City Council election.

A number of reasons can be cited: 1) the high profile post of **Mayor is not on the ballot** this time around, 2) **no candidate seems to be spending the big bucks** to stir up interest, and 3) even though there are any number of hot button issues (toll roads, smoking ban, traffic hassles, environmental concerns, etc.) **no groups seem to be marching on City Hall, waving fists in the air.**

Ah, but the proposed extension of the smoking ban to more bars, clubs, restaurants, bowling alleys, etc. is a different story entirely. **Bar, club and restaurant owners have raised a large campaign war chest and are zealously trying to defeat the smoking ban.**

Talk about *fire* and *passion*. It has become almost a crusade for them because they feel their livelihood will be seriously threatened if their patrons can't light up. They are spending a lot of money on ads and urging their customers to vote "no" during this early voting period and on Election Day. In fact, they have modified the very successful motto of several years ago that defeated light rail. **They have changed the anti-light rail mantra of "Costs too much, does too little" to "Risks too much, goes too far."**

They are wise to put forth such an effort because they are in the minority. **Non-smokers greatly outnumber smokers in this city.** And while generalizations can always be debunked, young bar patrons have not been a high-voting category in the past. Another factor they must overcome: tens of thousands of registered voters signed a petition to place this smoking ban extension on the ballot in the first place. No doubt about it, it's a difficult challenge for the bars, clubs, etc.

But this is an election worth watching. **Many non-smokers are zealots also.** And they have the lofty arguments of "good health, stop cancer, etc." on their side. When you have strong passions on both sides of an issue, it makes for an interesting campaign. Who knows, the smoking ban *fire* and *passion* might spill over into the City Council races.

The first rule of party politics is you must win the party primary before you can win the general election. And the two voting days have very different constituencies.

We alerted you eight weeks ago (check our 3/4/05 edition in the Archives section of our Web site) that USSenator **Kay Bailey Hutchison** could have a very tough race if she decided to run for governor against Perry – even though she has enjoyed phenomenally high rankings among Texas voters for years. You look at her poll numbers and you say there is no way she can lose.

But the polls of all voters are not the polls that are important when it comes to the Republican primary. You have to poll the voters who are *most likely to vote in the GOP-only primary*. **And those most likely to vote are those with an agenda, those who feel very strongly about hot-button issues.** This is where Perry is focusing his “first” campaign and where he has a stronger base than Hutchison.

Hutchison is more moderate than Perry and in the General Election would probably have a wider appeal than Perry. But if Perry wins the GOP primary, Hutchison won’t be on the November 2006 ballot. Perry is more conservative and is heavily courting the more conservative GOP base.

Perry’s pollster, **Mike Baselice**, points out that a survey of **Republicans most likely to vote in the primary 42% view themselves as “very conservative.”** When *all* voters are asked the same question, only 19% say they are “very conservative.” Importantly, 40% of likely GOP primary voters say they share the positions of the Christian coalition, two-thirds go to church weekly and 25% oppose abortion in all instances. Good for Perry; not so good for Hutchison.

Of course, Hutchison, with her overall popularity, cannot be counted out. In fact, she could mount a well-financed, straight-forward campaign, **touting her GOP credentials as a national leader** and have a very good shot at taking the nomination. But, right now, it’s an uphill climb.

Dr. Louis Overholster says when everything is coming your way, you may be in the wrong lane!

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Sincerely



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