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Dear Client:

If you want to find one of the hottest growth spots in Travis County, just follow the money. Or in this case, follow the banks.

Two good pieces of advice. When the #2 man in the FBI known only as “Deep Throat” (until this year) advised *Washington Post* reporter **Bob Woodward** to “follow the money,” Woodward and his fellow *Post* reporter **Carl Bernstein** uncovered the Watergate scandal that toppled an American President. Of much lesser consequence, when a fictional pro football player in a movie told his agent **Jerry Maguire** to “show me the money,” Maguire finally performed. In both cases, when the advice was followed, results were achieved.

No matter if you choose to “follow the money” or react to “show me the money,” you will come to the same conclusion: **one of the hottest growth spots in Travis County is in the Lake Travis area.** If you haven’t driven FM2222 to RR620, past the entrance to Lakeway to Hwy71 and back up Bee Caves Road, you will be amazed at the explosion of new banks that have been built in recent months.

Just a few short years ago, the area was home to only a handful of banks. **Banks follow the money. And now, they are almost wall-to-wall in the Lake Travis area.** Driving the route from Mansfield Dam on the north, to the Bee Caves area on the south, can be slow going due to concrete trucks and heavy equipment heading toward commercial and residential construction jobs.

The last time we tallied the total, there were **more than 18 different banking institutions in the Lake Travis area**, and three of them had more than one branch. There may be more today because it’s been a few weeks since this tally was recorded – it’s growing that fast. And the construction? Oh my. There’s a lot now, but more is on the way. This area is hot.

Of course some will say the area is overbuilt with banks. Maybe. It’s true that banks like to get in front of the curve. So wait awhile. **Another indicator this lake area is hotter than the summer pavement, is the number of active Realtors** who are making a living putting families in homes. One published report claims “Realtors make up the area’s largest industry.” Why is this happening? More house for the money. Great school district. Fantastic quality of life. Increasing retail infrastructure. You name it. It’s happening now.

The headlines the last few days have focused on the “resignation” of the Texas Lottery’s Executive Director due to misstated Lotto Texas jackpots. But the dirty little secret is the problems with Lotto Texas go much deeper.

Lotto Texas is a sick puppy. It has been for some time now. And those overstated jackpots were designed to cover up the critical illness. **As far back as 6/10/05 we alerted you to the underlying problem – weeks before the stink surfaced publicly.**

Officials are concerned that with the bad publicity of the past few weeks, confidence will diminish to the point where no one will gamble on Lotto Texas any more. Well, we’ve got news for them. **“No one” has been playing Lotto Texas for a long time now and this has created the problem.** Of course this is a slight exaggeration. But the fact is Lotto Texas sales have been suffering dramatically.

The Texas Lottery wasn’t saying anything about the big Lotto fall-off; it kept talking about the increase in Scratch-Off ticket sales. And this masked the problem. **Finally, as the slow sales continued, it ultimately led lottery officials to “cover-up” by claiming the Lotto jackpots were greater than they were.**

Since Lotto is a numbers game, let’s look at some numbers. Jackpots increase when more and more people buy tickets and there are no winning numbers. The bigger the jackpot, the theory goes, the greater number of players. But look at what’s happened in recent weeks. The Lotto Texas jackpot increased from \$15 million on 6/29/05 by only \$1 million when no one had the winning numbers. **A one-million dollar jump at that jackpot level is chump change.** And it’s continuing. The jackpot on 7/8/05 was \$20 million and it still went up only \$1 million when there was no winning ticket. “No one” is playing.

What’s to blame? You can always look to the marketing effort and suggest more could be done to generate more interest. But, frankly, it looks as if the **now-resigned Exec Director made a recommendation, which the Texas Lottery Commission accepted, that may have been the kiss of death to Lotto Texas.**

Texas joined the multi-state Mega Millions lotto in 2003. And because there are so many more players nationwide, and it’s harder to hit the jackpot, the jackpots are bigger and more attractive. **In fact, more than \$400 million has been dumped into the Mega Millions game in Texas since 2003.**

If this is the problem, **it’s going to get worse.** California became the 12th state to join Mega Millions 6/21/05. Drop into your nearby convenience store today and you can buy a Mega Millions ticket that *jumped up \$22 million* from \$100 million three days ago to a \$122 million jackpot for the 7/15/05 drawing. But because “no one” is playing Lotto Texas, its jackpot finally inched up just \$2 million from 7/13/05 to \$23 million total for 7/16/05. If you are a gambler (or a dreamer) wanting to strike it rich, which ticket is the most attractive?

Here's an Austin first: the longest solar car race in the world, and the first to cross an international border, starts from Austin 7/17/05. Solar cars? Yep, and are they expensive!

It's called the North American Solar Challenge and it seems somewhat appropriate for it to kick off in environmentally-conscious Austin. But if you run down to the parking lot at 1800 North Congress Avenue (across from the Bob Bullock Texas State History Museum) to look at the 40 solar cars on display there tomorrow (7/16/05), don't expect to place an order for one. Even if you could, it would **cost more than the jalopy you're currently driving** (yes, even more than that Rolls Royce you have parked in your driveway!).

The solar-powered cars are designed, built and will be raced by students along a 2,500 mile course from Austin to the finish line in Calgary, Alberta 7/27/05. UTAustin students have a car entered in the race that traverses USHwy75 and the Trans-Canada Highway. The first checkpoint out of Austin is Fort Worth.

The cars are powered solely by sunshine and cost an average of \$200,000 to build, with some nearing a \$1 million price tag. The solar cells range from \$5,000 to \$150,000 (but, hey, they don't have to pay today's high prices at the gas pumps!). Drivers race from 8 am to 6 pm, sometimes covering more than 350 miles a day and reaching 65 mph, but they must comply with posted speed limits.

But here's the kicker. They must also remain **cautious of their stored solar energy to compensate for cloudy days.** Managing energy consumption has proven a key factor in the outcome of the competition.

One final note: we may be dating ourselves, but "in the good ole days," the students who worked on cars back then slicked their hair in ducktails, rolled up their tee shirt sleeves around a pack of cigarettes and souped-up a hot rod for the Saturday night drag races, or a game of "chicken" on secluded rural roads (see *Rebel Without A Cause*, starring **James Dean**). Now students are building million dollar solar powered cars. My, how the times have changed.

Speaking of how times have changed, can you name the ten biggest cities (not metro areas) in the state of Texas – from the largest to the smallest? We've got the latest ranking.

The USCensus Bureau doesn't wait for its every-ten-year-tally to report new population figures. In fact, some new numbers were recently released and three Texas cities were among the 20 fastest-growing cities in the country — #4 San Antonio, #5 Fort Worth and #6 Houston. **Austin was not among the fastest growing cities.** The Texas Top Ten (with "inside the city limits" population): **Houston** (2,012,626) ... **San Antonio** (1,236,249) ... **Dallas** (1,210,393) ... **Austin** (681,804) ... **Fort Worth** (603,337) ... **El Paso** (592,099) ... **Arlington** (359,467) ... **Corpus Christi** (281,196) ... **Plano** (245,411) and **Garland** (217,176).

Austin's airport is not all that old, yet summertime travelers are noticing construction underway inside the terminal, with more on the way. What is going on at your airport?

Checked bag screening is being moved out of the ticket lobby, elevators are being added while escalators are upgraded. And a new sports bar is joining the retail mix.

The relocation of the baggage screening area will decrease congestion from the ticketing area and should simplify the travel process. Currently, you must take your checked bags from the ticket counter to the screening stations. **After relocation, you will simply leave your bags at the ticket counter.** Bag screening should be moved and fully integrated into the conveyor system by spring 2006.

Construction to add more elevators and upgrade escalators should begin in early 2006. On the upper level, new elevators to baggage claim will be installed in the west lobby, near Harlon's Espresso & News and the east lobby near FaraCafe. The commercial grade **existing escalators will be replaced with industrial grade equipment and will be programmed to travel either up or down.**

The sports bar will be a 2nd story addition to FaraCafe. A balcony looking out into the terminal will allow visitors to watch for their passengers. **Located across from Southwest Airlines' ticket counter, the sports bar is expected to open this summer.** This location is before you get to the passenger screening area, so it should be a welcome place to wait for arriving passengers.

In addition to the slowdowns you experience due to increased security precautions, you will be further **inconvenienced for the next year or so by the construction** at Austin-Bergstrom International Airport. All this simply underscores the exhortation you've heard over and over – be sure to allow plenty of time before your flight.

Speaking of travel, **Dr. Louis Overholster** says he never understood why people look to a vacation to bring them leisure, relaxation and happiness: "Isn't sending their kids off to camp enough?"

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