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Dear Client:

As spring merges into summer, you will see more and more tourists traipsing around our area. Welcome them. They're bringing us outside dollars and providing local jobs. Tourism is big business. And it's one of the best "industries" an area can have.

Texas is one of the most popular destinations in the US for tourists and the Austin area gets its share of the travel dollars but, frankly, it should get even more. **Tourists spend nearly \$21 billion annually visiting Texas points of interest.** Tax receipts alone (sales tax, hotel/motel tax, gasoline tax, car rental tax) add up to about \$6 billion annually. Texas trails only California and Florida in terms of tourism employment and payroll.

Most of the tourists trekking around Texas are Texans – 66%. Our neighboring states also provide travelers to the Lone Star State – Louisiana, 9% ... Oklahoma, 9% ... New Mexico, 5% and Arkansas, 5%. Who are these tourists and what do they do? Most of them, 71%, are leisure travelers (as opposed to taking business trips) and visiting friends and relatives is their top activity, followed by taking tours and visiting attractions.

Metro areas are the top destinations: Houston, 17% ... Dallas 16% ... San Antonio, 13% ... Austin, 9% and Fort Worth, 5%. Seven out of ten Texans who travel in the state use automobiles and 19% fly on airplanes. Forty-five percent of non-residents choose air travel.

While many cities and areas are envious of the amount of tourism we enjoy here, the Austin area can generate even more travelers with a minimum of investment. **The ad budget to attract tourists is miniscule compared to other metros.** Simply telling other Texans, via TV, radio and print, what we have to offer will trigger more trips to Central Texas. You don't have to spend the big bucks on a *national* ad campaign to increase our take of the tourist dollar.

Tourist dollars are clean, non-polluting dollars. They come from outside the area and re-circulate through our economy many times over. (Our hotel employees, for example, cash their paychecks and buy groceries, clothes, furniture, go to movies, get haircuts, buy gas for their cars, etc., year-round). In turn, the city receives tax dollars from the travelers, but doesn't have to provide essential city services to them because the tourists stay a few days to enjoy what we experience year-round, then go home. Tourism is good business and it needs nurturing.

Speaking of travelers, passenger traffic at Austin-Bergstrom International Airport (ABIA) is starting off 2006 at a pace far ahead of last year's record-breaking totals.

Passenger traffic for January and February (March numbers will not be reported for another month) is up 11% compared to the same time frame last year. This is good news for the area economy. As far as the Big Three airlines that carry by far the bulk of ABIA travelers, **Southwest Airlines is up 12%, American Airlines is up 10%, and Continental Airlines is up 12.5%**. The major blip for our economy is that air cargo shipments are down by about 12%.

The first scheduled commercial air service began January 1st, 1935 at the newly-opened Robert Mueller Municipal Airport. Now look at what is happening at that site.

Can you name the first air carrier that landed and took off that New Year's Day? It was Dallas-based Braniff International that later gained fame by painting each aircraft a different color (earning the moniker of "Easter Egg Airline"). When Robert Mueller shut down in 1999 following the opening of ABIA, it opened up a **huge tract of land strategically located adjacent to IH35 in the heart of Austin**. Now, a massive project is emerging on this site.

It's called simply: Mueller. Before we go any further, let's get this out of the way. You pronounce it "Miller." Why not pronounce it "Myooler?" Or "Muller?" Because the airport, and now the project, is **named for Robert Mueller, who was elected city commissioner in 1926 and he pronounced his name "Miller."** (Incidentally, Mueller died in office – of "blood poisoning brought on by hay fever" – in early 1927 at a city budget hearing. The new airport was named and dedicated in his honor in 1928.)

The Dell Children's Medical Center of Central Texas is anchoring the mixed-use urban village that is being built from scratch and **phase one of the state-of-the-art Med Center is scheduled for completion in the summer of 2007**. This is also when the first Mueller homes go on sale. Prior to this, a regional retail center will open, sometime this winter.

As the Mueller community is being built from scratch, new street names are surfacing. One street will be named for **Barbara Jordan**, who was the first African American woman elected to the Texas legislature and the state's first black member of the US Congress since reconstruction. She became a national political star during the Watergate hearings and returned to Austin to teach at UT Austin's LBJ School of Public Affairs before her death. Another street is named for **Roy Aldrich**, who at age 15, enlisted in the Texas Rangers in 1915 where he served for 32 years. He purchased a farm during this time that later became a part of the airport and is now a part of the Mueller community. Other names, with similar Austin ties, will be popping up on the streets of Mueller.

Don't know if you noticed, but this week you lived through an event that won't happen for another 100 years.

This is apropos of nothing, but it's kind of neat. On Wednesday of this week — at two minutes and three seconds after one a.m. – **the time and date was 01:02:03 04/05/06**. Cool, huh?

Now that the initial ballot wording on two proposed amendments to the Austin City Charter has been successfully challenged in court, you can officially refer to them as “controversial.” So, if enough qualified voter signatures were gathered to put the items on the ballot, what are opponents concerned about?

Well, first of all, Propositions 1 and 2 did not originate with the Austin City Council. The propositions were, in effect, **“crammed down their throat” by the citizen petition process**. So the Council is required by law to put the items on the Saturday, May 13th ballot. This could explain why the Council agreed on ballot wording that the petitioners felt was inaccurate and misleading — biasing voters against the proposed amendments. The petitioners won in court. The wording was changed, but the petitioners are still grumbling about the ballot language.

So, what's all the fuss? The Greater Austin Chamber of Commerce (GACofC) looks at all issues through an “impact on business” prism. And its board has voted to *oppose* the two propositions. “Not only will they **severely limit the abilities of our City leaders to help grow our local economy**, these amendments will be costly to implement and invade the privacy of any citizen who wishes to participate in civic affairs,” said Chamber Chair **Tim Crowley**.

Proposition 1 would require the City of Austin carry out all of its business online, in real time. The City estimates this would cost \$36 million to implement and \$12 million in ongoing operational expenses and result in a tax increase.

Proposition 2 would limit the abilities of the City of Austin and private property owners to improve infrastructure in and around southwestern Austin. If adopted, the City says it would also be forbidden from participating in investment agreements to construct affordable housing and solar energy rebates for new and existing developments in southwestern Austin, according to the GACofC.

“These amendments, if approved by the voters, will have dangerous effects on the quality of life in Austin,” remarked Crowley. As a result, the GACofC is encouraging its members to vote “no” on Propositions 1 and 2. The Chamber board took no action on the other five Charter amendment ballot propositions “due to lack of significant impact on the business community.” Early voting for the 5/13/06 election runs from Monday May 1 through Tuesday May 9. You'll be hearing more about these controversial propositions between now and then.

Here's a heads-up for your advance planning: A star-studded event on the evening of Friday the 13th in October could turn into the hottest ticket in town. It will no doubt be sold out.

The Ex-Students' Association of The University of Texas is revamping from top-to-bottom its annual Distinguished Alumnus Award and Distinguished Service Award event scheduled for the night before the UT-Baylor game, 10/13/06. A sneak peek at the initial plans indicates the **event should be inspiring and fun**, as the noontime roast of the recipients will be rolled into the nighttime awards presentation. Each of this year's recipients is a major headliner:

Ada Collins Anderson, UT 1951-1953, MEd 1965, Austin civic leader, educator and business owner. Austinite **Michael S. Dell**, UT 1983, Chairman of the Board of Dell Inc. **Larry R. Faulkner**, PhD 1969, President of Houston Endowment and former president of UTAustin.

Dallasite **Caroline Rose Hunt**, BA 1943, Honorary Chair, Rosewood Hotels and Resorts and author. **Diana S. Natalicio**, MA 1964, PhD 1969, President of The University of Texas at El Paso. **William H. "Bill" White**, JD 1979, Mayor, the City of Houston.

And if you don't think these six provide enough star power, a Distinguished Service Award will be presented to three-time national champion UTAustin football coach **Darrell K Royal**.

The ticket price has not yet been set for the seated dinner at the Four Seasons Hotel. But seating will be **strictly limited to the hotel ballroom capacity of 450**. Event planners promise the coat-tie (*not black tie*) event will be an evening to remember. Keep your eye open for the formal announcement so you can be among the early responders, if you want to assure a seat.

If your eagle eye noticed "Volume 28, Number 1" at the top of this newsletter, you might be interested to know it means we're starting our 28th year of providing weekly insights. **Dr. Louis Overholster** complimented (?) us by saying "each one of your newsletters is better than the next!"

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Sincerely



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