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Dear Client:

The Austin metro area continues to hum with job-creating economic activity, as companies buy-in to the dynamics of the market and invest a good part of their business futures here.

Just in recent weeks, four very different companies went public with their plans to re-locate or expand in the Central Texas region, in the process **creating job opportunities for our workforce**. Two of the companies, incidentally, are from San Diego – adding to the influx of investment here from the West Coast.

CompassLearning, an education technology solutions company, is relocating its corporate headquarters from San Diego to downtown Austin. CompassLearning expects to **employ more than 100 people in Austin** in a 43,000 sq.ft. facility.

Another San Diego firm, **Accurate Elastomer**, chose the nearby Central Texas town of Elgin as the site where it will relocate its facility to manufacture small rubber components for the electronics industry. **It will also move its headquarters operation to Elgin. This will create 60 new jobs.**

Contributing to the flight of businesses from California to Austin is Los Angeles-based **Dimensional Fund Advisors**. The financial services company will relocate a new, full-service office that will **eventually employ 800 people in Austin**.

The fourth company is adding additional operations to its current presence. **Farmers Insurance Group will set up its second ServicePoint call center operation in the US here in Austin**. Farmers is making a big commitment by leasing a 150,000 sq.ft. space, with an option for 190,000 more square feet to house hundreds of new jobs it plans to create in Austin over the next few years.

While these announcements have come in quick, rat-a-tat-tat fashion over the past few weeks, they **didn't occur overnight**. For instance, Greater Austin Chamber of Commerce officials began courting Accurate Elastomer this past January, made first contact with CompassLearning back in 2004 and worked with Dimension Fund Advisors for seven months before the final relocation decision was made. Chamber SrVP for Economic Development **Dave Porter** said GACofC staffers and volunteers **spent most of 2005 on the road** promoting Central Texas. "This year," he concluded, "we're seeing those efforts pay off in big ways."

Efforts to recruit high tech companies to Austin – that had its genesis as far back as 1983 – are being supported by a Web site that contains unprecedented comprehensive information on Austin’s burgeoning tech sector.

This Web site was created as a tool for top level executives at technology companies and executive search firms. But it is also a thorough resource for anyone seeking **information on Austin and its tech-related businesses**. It is www.AustinHumanCapital.com. And it is broken down into four, easy-to-use segments.

The first segment is called “Tech in Austin.” Pointing out the **technology industry in Austin makes up 34% of the workforce and 41% of payrolls** in the Austin metro area, this segment covers tech companies in Austin, broken down by sector. And while speaking to the *future* of tech, it also contains a detailed summary by Austin attorney and business leader **Pike Powers** on the evolution of high tech in the Silicon Hills of Austin.

The second segment should be popular with those **companies seeking investment capital**. Titled “Funding Sources,” it spotlights the Central Texas Angel Network, Venture Capital possibilities, the state-created Emerging Technology Fund and traditional funding.

Other resources than funding are also critical to a company’s success and the third segment lists the **local, state and national resources** available to those here in Austin – home to eight universities and the state capital.

Finally, realizing a company and its employees need a quality living environment, the fourth segment covers various lifestyle bits of information, such as **cost of living, educational opportunities, real estate**, etc. It is a wealth of information covering most aspects of living in the Austin area.

A newly-created organization called **The AusTech Alliance is working to create a shared vision on the future of Austin’s technology community**. Operating now for only about 90 days, the AusTech Alliance has attracted more than 30 tech leaders, created an Executive Liaison program to assist visiting tech leaders and continues to focus on a local and state legislative agenda. It is led by **Randy Baker**, President and Founder of Tuanis Technology and Vice Chair of Technology for the Greater Austin Chamber of Commerce.

In the early years, the high tech sector was generally viewed as wrapped up in its own little cocoon in Austin, seldom – with some notable exceptions – getting involved in various business, civic and cultural affairs of Austin. This has changed considerably. And now the AusTech Alliance has as one of its goals to **bridge the gap between technology companies and traditional business in the community** – as well as providing a unified voice for the technology industry in the Austin area.

You're certainly familiar with UTAustin's main campus downtown, long nicknamed the Forty Acres. But what about the 475-acre UTAustin campus nine miles to the north? You may be surprised what you'll find there today – not to mention a couple of decades from now.

It's not a secret, it's simply overlooked. We're talking about the J.J. Pickle Research Campus, named for the late Congressman who labored mightily – and successfully — in Washington DC to **bring major national research efforts to his beloved alma mater** (where he went from Student Body president to Distinguished Alumnus).

The site, off North Loop1/MoPac Blvd near where major retail shopping center construction is chewing up the ground, was formerly a US government magnesium plant. **UTAustin bought the property following World War II** when it was “way up north.” Now it is in the heart of the expanding Northwest Austin sector.

The complex of older buildings gained notoriety during the infancy of the US space program when **Sam, the first monkey to be launched into outer space before astronauts made the jaunt, was raised and trained there.** It was known as the Balcones Research Center. A lot has happened there since then.

Today, the huge campus consists of around **100 buildings which house everything from oceanic fossils to a supersonic wind tunnel, not to mention a 1.1-megawatt nuclear reactor.** UTAustin has far more laboratories and other research facilities than can fit into the increasingly dense main campus.

Expansion is the watchword. With 145 acres to play with, the visionaries who look way down the line at UTAustin are casting covetous eyes on the debt-free property. The plans could change during the next few decades, but the scope of the Pickle Campus might **expand beyond research and storage to include student housing and classrooms.** Yes, it's a nice little drive from the Forty Acres to the site, but those long-range planners are also considering a **dedicated rail line** that could cut the commute between campuses to perhaps only ten minutes.

There's another facet to UTAustin expansion in the near future. As we told you in our 6/30/06 edition, **\$200 million is already committed** to being spent at the close-in site of the former Robert Mueller Municipal Airport, adjacent to north IH35, in the five thousand block.

This money is being spent as we speak on the Dell Children's Medical Center of Central Texas. You'll remember in our 6/30/06 edition, we forecast “the hospital will provide the linchpin for what could ultimately result in a **full-blown medical school at UTAustin,**” with additional components at Mueller or possibly Pickle.

The Central Texas economic engine known as UTAustin, with these three campuses, will provide a **rare impetus to the Austin area's economic destiny** for decades to come.

It's already started. Everywhere you look, in preparation for Saturday night's #1 vs #2 football game with Ohio State, you see a sea of burnt orange. But, you're likely to see the crimson and grey of the Buckeyes show up in some unlikely places.

We mentioned last week, some 30,000 to 40,000 Ohio State fans are descending on Austin (even though Ohio State's 2-time Heisman Trophy winner **Archie Griffin** said those numbers are a huge exaggeration). With only 4,000+ tickets allocated to the Buckeyes – the same number they made available to UT Austin at their field last year – the question is will they get more tickets. Well, a lot of them will not. But, frankly, you may see a **sprinkling of Ohio State colors in the stadium, mixed in with the burnt orange.**

The normal channels are still being utilized. Texas ticket holders will sell their tickets to the **highest bidder on eBay**, or through a **ticket broker**, or in the **newspaper** – in hopes of making some big bucks off Buckeye backers. But some Ohio State fans are so rabid and support their team on the road so well, that a little **Yankee ingenuity also is coming into play.**

For instance, **some Buckeyes ponied up the money for season tickets to all UT Austin home games**, just to be assured of seats for *this* contest. They then offer up all the other season tickets on eBay, or other outlets, to try to get their entire outlay back, or even make a bit of a profit. Their UT season tix are obviously in the midst of the Longhorn faithful.

Even though Griffin poo-poo's the larger Ohio State fan numbers, a check with the airlines tells you something. For instance, **Continental Airlines has added five inbound flights** from Columbus and Cleveland this weekend and they've upgraded to larger aircraft on other flights. **Delta and Frontier have added nonstop flights. Southwest is flying two charters** from Columbus to Austin, carrying band members and staff. Yep, it'll be a big crowd.

Dr. Louis Overholster, a nervous flyer if there ever was one, says he feels about airplanes the way he feels about diets – they are wonderful things for *other* people to go on!

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