

Volume 29, Number 22

August 31, 2007

Dear Client:

Many point with pride to the condo high-rise buildings under construction in downtown Austin, saying they symbolize a vibrant, growing downtown. But one Austin gadfly points to the tall buildings with alarm, saying fire safety planning has not kept up with the construction.

Approaching downtown Austin from any direction, you witness the greatest period of high-rise construction in the history of downtown Austin. **Never in the history of this grand capitol city have there been as many high-rise buildings under construction at one time.** Most of these projects contain living units or hotel rooms, creating a 24-hour environment – unlike office buildings where activity is mainly limited to daylight hours.

And while the *construction* itself is subject to demanding fire safety regulations, one longtime Austin observer – who has never been bashful about speaking up – is concerned about the safety of the inhabitants of those buildings. **Mike Levy**, the founder and publisher of *Texas Monthly*, has worked in downtown Austin for three decades. But more than this, he was one of the earliest forces pushing to strengthen fire safety regulations in the early high-rise buildings.

He is concerned the Austin Fire Department staffing is not keeping up with the pace of growth. “For many, many years, the city has not added any firefighters except to man new stations,” Levy says. Pointing to the Austin City Council backed plan to encourage downtown living, he says “the Council is **building a city of 35,000 people within the larger city, yet no thought is being given to the public safety needs of this area.** Zip. Zero. None.”

“I could not believe that the Fire Chief actually said at a recent public safety task force meeting that they would look at ‘down the road’ the problem of the Austin Fire Department having the **same resources in the downtown area that it had in 1970 – despite so many more people living in high-risk high-rises,** putting both citizens and firefighters at great risk of serious injury or death.”

He continued: “Look at what firefighting resources would go immediately to a high-rise alarm, not much, and **most of these resources have to come from stations outside the downtown area.**” He suggests starting with “just three manpower squads in Suburbans scattered around the city with three firefighters and a lieutenant or captain in each, dispatched on all high-rise and multi-alarm fires.” He also noted aerial truck ladders only reach six stories up.

Wave of the future for Austin and all of Texas? Toll roads will no longer have toll booths. No people making change and overseeing the basket where coins are tossed. They will all be digital.

First of all, it is already happening to a small extent on certain toll roads where tolling is being done electronically – **either through TxTag stickers or via addresses associated with license plates photographed by cameras.** Many toll roads still have people sitting in booths overseeing the toll taking, but this expensive inefficiency may soon be a thing of the past.

In fact, in Dallas where the first toll roads popped up in Texas, the North Texas Tollway Authority (NTTA) has already announced it is **dumping all its toll-collection booths by May 2010.** This action will mean the end of jobs for about 400 employees hired to sit in those booths.

Interestingly, NTTA said an all-electronic toll-collection system could result in a reduction of *revenues*. But, according to NTTA, this would be **more than offset by the estimated savings in operations and maintenance costs.** Also, it will save on new construction as toll plazas will no longer need to be built.

Look for Austin, with its expanding excursion into building toll roads, and Houston with major toll roads all around that city, to play “follow the leader” if NTTA’s reasons for dumping toll booths prove to be correct.

The expansion of the source for Austin’s nuclear power-generated electricity is moving full-steam ahead.

The City of Austin owns 16% of the South Texas Project (STP), a nuclear powered electric generating plant in Bay City. **This plant provides Austin Energy with its cheapest source of electricity** – cheaper than the La Grange Fayette coal powered plant, cheaper than natural gas and cheaper than alternative sources of electricity. And, STP is doubling its capacity.

This month, NRG Energy, a 44% owner of the nuke, awarded a contract to Toshiba to provide **key reactor components and early engineering, procurement and construction-related services.** Irving-based Flour Corp will support Toshiba in the first phase of development. Earlier this year Flour formed a nuclear-power business to handle jobs related to the next-generation nuclear power market.

The new nuclear power reactors are projected to come online in 2014 and 2015. There has been no announcement about Austin’s role in utilizing this additional source of electricity. While nuclear power is still controversial, it has been the first choice of Austin Energy to draw down electricity. It’ll be interesting to see how Austin participates in the additional availability.

Never in Austin's aviation history have more passengers used the airport than in July 2007. And it was up 12% over the same time last year – a tribute to the Austin area's economic health and vitality.

This rising tide of travel lifted all airships except two. The market leader, Southwest Airlines, was up 4%, #2 American Airlines was up 9.5%, Continental Airlines was up 13% and even Delta Air Lines was up a whopping 35%. **In spite of this overall strong Austin travel month, United Airlines was down 12.5% and Northwest Airlines was down 17% — not good.** Year to date, through July 2007, total passenger traffic was up a respectable 6.5%.

A change was unveiled at Austin-Bergstrom International Airport this week. In place of the Hill Country Bar at Gate 15, you will now get a chance to quaff your favorite beverage and chow down on “gridiron cuisine.” Just in time for the football season opener, **Earl Campbell's Sports Bar** opened for business Thursday, featuring six high-def TVs and authentic football history.

The Heisman Trophy winner's **trophies for being named All-Pro, Rookie of the Year and Most Valuable Player** (all won during his first year as a pro) are on display, as are his Hall of Fame jacket and helmets from his three teams – the Texas Longhorns, the Houston Oilers and the New Orleans Saints.

The food? If you can get past the cutesy names you might be able to enjoy a chili and cheese smothered **Touchdown Dog**, or if you are traveling in the morning hours you can pick up the **Training Camp Breakfast Sandwich** of eggs, ham and cheese served on a bagel or croissant. You'll recall this Gate 15 location is past security points accessible to ticketed passengers only.

Even though Florida is known for its shuffle-board-playing, blue hair retirees, Texas in recent years has been coming in second in attracting the 65-plus crowd.

In the latest figures, 2005, the State of **Texas gained 27,000 new residents over the age of 65.** For the same period, Florida gained 68,000 residents – still way ahead of The Lone Star State. But Texas is substantially ahead of the #3 destination, Georgia, with 16,000 new 65-plus residents. North Carolina and Tennessee are next in the pecking order.

Why is this important? First of all it contributes to the “aging” of a relatively young Texas population and secondly, **the Texas retirees brought with them a total of \$732 million in added income**, according to the study by Thomas, Warren + Associates. Most of the Texas 65-plusers who moved in are genuine retirees, who choose where to live and their choice is not job-driven.

Data for specific metropolitan areas was not readily available, the company reported.

It's not only the 80,000 football fans converging on Darrell K Royal – Texas Memorial Stadium on Saturday for the season's first football game that indicates UT Austin has started the fall semester, it's all the students and faculty who are now in the city's midst on a daily basis.

In spite of more traffic, longer lines at the movies and restaurants, etc., this increase in UT Austin's population should be recognized as reflective of the university's purpose. As President **Bill Powers** put it recently: "We are in the talent business, and our **success depends on attracting the very best faculty, the very best graduate students and the very best undergraduates.**"

And attracting such talent is a tough job. Powers said "**competing universities are offering higher compensation, more research support**, and in some cases, benefits such as free tuition for the children of faculty." That's not all. He also says "they offer higher stipends for graduate students and larger scholarships for undergraduates."

So what are you doing about it, Mr. President? "**By reallocating funds, we have set aside \$25 million to build competitiveness in faculty and staff salaries.** I have also committed more than \$1 million in new funds to further support graduate student stipends, in addition to the \$1 million increase we made in 2006," Powers said. "The first budget priority is competitiveness."

How is this priority working? "**Our academic departments have been very successful in attracting talent,**" he said. In a similar vein, with the unanimous approval this week of Football Coach **Mack Brown's** multi-million dollar annual salary/bonuses/incentives by the UT System Board of Regents, UT Austin officials were quick to point out that Brown's salary was funded solely by non-academic revenues generated by the football program itself.

Speaking of salaries and money, **Dr. Louis Overholster** swears he saw this hand-written sign outside a neighbor's house: "Whoever is stealing my *Wall Street Journal*, would you please stop! If you can't afford the \$1.50, maybe it's not working for you anyway."

NEAL SPELCE AUSTIN LETTER (ISSN 1071-0612) is published weekly, except last two weeks of the year, for \$150 (plus tax) per year or \$249 (plus tax) for two years. To subscribe, call 512-327-2172. Periodical Postage Paid at Austin, TX 78767 by Austin Letter, Inc., 4105 Bee Creek Rd, Spicewood, TX 78669. POSTMASTER: Send address changes to: Neal Spelce Austin Letter, P.O. Box 1905, Austin, TX 78767-1905.

Sincerely



Editor/Publisher