

THE

Real Estate

AUSTIN LETTER

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P.O. Box 1905 / Austin, Texas 78767-1905 / 512-498-9495 / Fax 512-327-1976 / e-mail News@AustinLetter.com

Volume 31, Number 46

February 26, 2010

Dear Client:

Austin's traffic stinks and everyone knows it. So says the Mayor of Austin as he points out it is way more than just a nuisance. City Hall has a plan. And, guess what, it is expensive.

For most of the past decade, the Texas Transportation Institute has ranked Austin #1 for traffic congestion among all mid-sized US cities. The only reason Austin was not #1 last year is because Austin is no longer lumped into the mid-size city category. **Austin is now in the large-sized city category and is ranked currently as the 14th most congested large city in America.** Currently, steps are being taken to soften the crisis. And there's more on the way.

"Solving programs as big and as serious as our traffic problems have become demands a generation-long view and a multi-modal approach," said Mayor **Lee Leffingwell** in a speech to the Real Estate Council of Austin. **"There are no quick fixes and there are no silver bullets."**

"For over a year now, I've been calling for a 2010 transportation bond election, which would include **new investments in roads, in bicycle and pedestrian infrastructure, and in the first phase of an Urban Rail system,**" he said. "Our transportation team at City Hall is working hard on the proposal right now. There are still some big questions left to answer, but I'm cautiously optimistic that a **well-developed proposal will be ready in time to go to Austin voters this November.**"

Before the election becomes a certainty, the **Austin City Council must adopt the plan.** It will work with the Capital Area Metropolitan Planning Organization (CAMPO) to decide whether to put the proposal on the ballot for you to consider.

"I won't tap dance around the fact that it is going to cost taxpayers something to make these investments," he admitted. "And I know there will be some skepticism, both about pursuing a bond proposal, and about building an Urban Rail system during this time of economic uncertainty."

"But in my opinion," the mayor said, **"this is exactly the time for us to invest in protecting Austin's future quality of life."** See the next item about what two critics/skeptics are saying.

Two high-profile Austinites are already speaking out against a proposed November vote on a transportation bond election and the first phase of an Urban Rail system. And they're not mincing words.

The two: Founder and former publisher of *Texas Monthly*, **Mike Levy**, who toyed for a while about running for Austin mayor, and former Tracor exec, **Jim Skaggs**, who led a successful effort defeating a previous rail proposal by hammering home the slogan "Costs Too Much; Does Too Little." Both are candid in their criticism.

The City of Austin calls it the Austin Strategic Mobility Plan and this month conducted a series of "Mobility Forums" to get citizen input. **Levy called them a "charade." "Public input really wasn't wanted,"** he said. "Each 'forum' had pictures of trolley cars plastered on the walls. The City Council is in the same rush to get the issue on the November ballot that CapMetro has acknowledged led to inadequate engineering studies that resulted in the heavy rail debacle."

"The fix is in," he claims. **"Now all the Council has to do is manipulate the ballot language to get the voters to rubber stamp the billion dollar trolley car line program."** He said he arrived at the billion dollar number by adding in the costs to service the bonded indebtedness plus \$20 million in operational expenses "that will prevent future councils from having enough money to provide high quality basic, core services such as public safety, parks and libraries" etc.

Mayor **Lee Leffingwell** says **"Urban Rail may be the single best thing we can do to keep the economic engine of downtown Austin running strong** for the next generation." He also says "I believe this bond proposal can, and will, prove to be the right first step on the long journey. **And I know it's a better strategy than the alternative, which is doing nothing."**

Skaggs says "passenger rail projects over a long period averaged about 40% more than projected and were well below their projected ridership." Then he zeroed in on Capital Metro, saying the **"commuter train, on existing tracks, will cost taxpayers 5-6 times the \$30 million promised during the vote in 2004 and the annual operating costs will be some 6 times the promised \$2 million.** This results in each, daily, two-way rider being subsidized with about \$15,000 taxpayer dollars. This makes no sense."

"In addition, **highly subsidizing about 1,000 train riders who mostly have cars dramatically degrades transit for about 40,000 bus riders who need transit in their daily lives and have no alternatives,"** he said. "Their fares have doubled in the past 15 months and their service has been reduced. This is not sustainable and **CapMetro is heading for bankruptcy** while making a mockery of Austin's stated social equity/social justice objectives."

Look for the rhetoric to ratchet up as November nears.

You better hurry if you want to get one of the initial bottles of the “first and finest Texas bourbon whiskey ever made” – hand-filled, numbered and signed by the Hill Country distiller.

It’s quite a story. Former Austin communications exec **Dan Garrison** founded Garrison Brothers, the only distillery in America outside of Kentucky and Tennessee **dedicated to producing bourbon and only bourbon**, atop his Hill Country ranch in 2006. After a challenging period of experimentation, Garrison nailed his first recipe in May 2008, **making Garrison Brothers the first *legal* whiskey maker in Texas history.**

“We make and barrel every batch by hand, the old-fashioned way,” he says. Unlike Kentucky and Tennessee bourbon distilleries, which make bourbon from “sour mash,” **Garrison makes a “sweet mash” using locally-grown grain that is ground fresh daily and never re-used.** The 100% organic corn is harvested from Texas farms in the Panhandle near Hereford, Dalhart and Muleshoe. “Our corn comes from family farms,” says Garrison. “Texans grow exceptionally fine corn.”

Just 2,000 bottles will be filled initially. **“The first 500 bottles are for the Blanco and Gillespie County electricians, plumbers, masons and construction workers who have helped us build the distillery,”** said Garrison. “They deserve the first taste. We’ll give these away as gifts.”

Other gifts will go to folks such as Garrison’s key mentors and friends in Kentucky who counseled with him on the art of bourbon making. **The 1,000 bottles that aren’t given away will be distributed to local liquor stores in Blanco, Fredericksburg, Hye and Johnson City by Texas Independence Day.** That’s March 2nd. “If folks want a bottle, they should contact stores quickly,” he said. Stores have started waiting lists and are likely to run out, he predicted.

So, Dan, with this “hand-made, non-hurried, quality-ingredients” approach to making your bourbon, is it gonna carry a high price tag? **“Damn right it will be expensive, but you get what you pay for.”** The unfiltered bourbon whiskey comes in a 375-ml half-bottle with a suggested retail price of under \$50 a bottle. The bottle design is quite impressive. As for this first limited product release, Proprietor Garrison says **“I hope folks will buy two bottles; one to hold onto and one to enjoy. Those bottles they hold onto might be pretty valuable some day.”**

If you’re keeping score, the 2010 Opportunity Austin economic development effort by the Austin Chamber of Commerce is now counting two successes just two months into the year.

The most recent was the re-location of **LegalZoom’s** regional HQ (you’ve probably seen their TV ads) to Austin, following financial incentives from Austin and the State. **Hanger Orthopedics** was the first this year, also with financial incentives.

Austin is obviously changing, especially in the diversity of the people who live in the Austin area. This has been obvious for some time, but one aspect of this may be surprising to you.

When the results of the 2010 USCensus are finally released, it should show that **Asian-Americans will have vaulted into a tie with African-Americans as a percentage of the area's population.** Each group will have about 7% of the local population. **Hispanics will have surged to about 37% of Austin's population** and another 2% will be other ethnic minorities. And, as these numbers show, the Anglo population will be less than 50%.

Quick. What are the most important aspects for airports if they want to provide great customer service? A thoroughly clean terminal and a comfortable, friendly ambience. So, how does Austin-Bergstrom International Airport (ABIA) stack up to these criteria?

More than 270,000 questionnaires were completed by passengers at 118 airports worldwide in an Airport Service Quality passenger survey of Airports Council International (ACI). The survey is performed quarterly and captures **passengers' perception of the quality of more than 30 aspects of service.** Okay, okay, enough about methodology. How did ABIA do?

Austin's airport was ranked the best in North America. Also it ranked 2nd world-wide among airports its size (5-15 million passengers). This was a service quality survey of airports. So the factors that were measured included **ambience of the airport, cleanliness of the terminal, comfort of the waiting areas, availability of washrooms, cleanliness of washrooms, courtesy of staff and good shopping facilities.**

"A clean, safe, comfortable airport experience for travelers will continue to be our top priority," said **Jim Smith**, Executive Director, City of Austin Aviation Airport

Dr. Louis Overholster's wisdom: "Never miss a good chance to shut up!"

Sincerely



Editor/Publisher