

THE

*Real Spelce*

# AUSTIN LETTER

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Dear Client:

**News coverage of Mexico's drug cartel murders has ratcheted up significantly in recent weeks. Is this violence spreading north from the Texas/Mexico border to Austin and other cities further from the border? The evidence suggests the answer is "Yes."**

The current national news focus is on the American couple jet-skiing 9/29/10 on bi-national Falcon Lake who were attacked by apparent cartel members when they skied into waters belonging to Mexico. **They shot and killed the man, with the wife escaping to tell of the horror.** The killers are believed to be teenage members of the Zeta drug cartel. But there have been other incidents, such as **two men found dead in a bullet-riddled pickup truck** north of Brownsville in South Texas.

Are there signs drug cartel gang activity is increasing in the Austin area? You bet. The Austin Police Department (APD) keeps statistics on crimes committed by documented gang members. **The increase in gang-related crimes from 2008 and 2009 is striking**, and it appears to be increasing further so far in 2010. Look at the evidence:

APD says "we can expect gangs to be heavily involved in the personal use, street sales and **large scale distribution of narcotics.** Narcotics violations and simple assaults are the most common offense type among gang member involved incidents." **Remember the increasing bloody violence in Mexico is directly related to the drug trade.** What about other gang related crimes in Austin?

Gang-member involved **murders were up 200%** from 2008 to 2009. **Rape was up 25%.** In 2010 through July, the number of those crimes already equal all of 2008. **Robberies were up 88%** 2008-2009, **Aggravated Assault was up 65%** and the 2010 pace for those two categories is ahead of the 2009 pace. You get the idea.

In April, the Austin Crime Commission heard evidence from the Drug Enforcement Agency, the Federal Bureau of Investigation and the Texas Department of Public Safety about the **presence of organized crime groups in Central Texas with connections to Mexican cartels.** The law enforcement agencies reported that "Austin was developing into a secondary organized crime resource for command and control and as a staging and distribution center into the United States." The Commission got an update October 4<sup>th</sup> 2010, which it called "**very sobering and indicated a furthering of those problems in Austin.**" There's more in the next item.

**The deterioration of Mexican government control in many areas of that country and increased organized violence in cities nearby to Texas are of “grave importance for Austin,” according to the city’s citizen Crime Commission.**

It’s awfully easy to miss the meaning of what is happening in Mexico. After all, it is a “foreign” country. It seems so far away. Yet, **some of Mexico’s violence-wracked border towns are closer to Austin than Texas cities like Abilene, Amarillo, Beaumont, Longview, Lubbock, Midland, Odessa, Texarkana, Tyler or Wichita Falls.** Can you imagine the reaction here if such uncontrolled violence as witnessed every day in certain Mexican cities occurred in these cities.

As we have reported, violent gangs and drug traffickers are increasing at a rapid rate in the Austin area. How many gang members are in Austin? **The Austin Police Department (APD) reports there were 1,834 documented gang members in Austin in March 2010 and 2,049 confirmed members in September. This is an 11.7% increase – in just six months.** Reports are compiled monthly.

These totals by their very nature are conservative. After all, they are drawn from **criminals caught by law enforcement and identified as gang members.** Their profiles are dumped into a database shared by multiple law enforcement agencies. Obviously there are many more who have not yet been documented.

Some of the leadership of these drug cartel gangs comes from a **hardened core of ex-cons that belong to large, well-organized multi-city gangs such as the Texas Syndicate.** One alarming facet of the growth of these gangs is the recruitment of younger and more violent members.

The APD has compiled stats on documented *student* gang members. **Male members number 590 and make up 90% of the total;** female members tally 10% of the total. **Hispanic students make up 78%** of the total, Black students 16% and White students, 5%. How young are they? **Middle School students number 107** and high school 198, while at least 320 are not enrolled.

This problem is not isolated to the Austin area. In fact, Houston is home to far more gang members than anywhere in Texas. As of this year, there were **225 documented gangs roaming the Houston area, with at least 10,000 documented gang members** – all less than a three hour drive from Austin. The Houston Police Department has identified 446 drug-trafficking organizations. Houston has a much bigger problem than Austin.

This report is not designed to be alarmist. But it is intended to raise your awareness that Mexico’s lucrative and brazen organized crime syndicates have so far remained unchecked. **And their reach is expanding deep into Texas, including Austin.** As a result, it is fast becoming a factor for those interested in the future of the Austin area.

**UTSystem Chancellor Francisco Cigarroa is the top executive for a system that includes nine universities and six health institutions. UTAustin is only one of those institutions, so his views on UTAustin bear careful analysis.**

Chancellor Cigarroa's bosses are those who serve as Regents of the UTSystem. In effect, the Regents serve as a board of directors and **Cigarroa is the CEO for the 15 institutions.** Cigarroa recently reported to the Regents on his "State of the System." Here is some of what he had to say about UTAustin and how it fits into the overall system picture:

"The University of Texas at Austin is our state's flagship university, and its standing and reputation influence those of every other institution within the U.T. System. **Current state funding formulas are predominately focused on enrollment growth and do not work in U.T. Austin's favor.**"

*Translation:* **The Austin campus traditionally has one of the largest student populations in the nation, if not *the* most students.** Even with rising standards for enrollment, the demand for entry is great. Facilities are crowded and the faculty-student ratio is among the highest in the nation. Growth is not a goal.

Cigarroa continued: "Compared with its national peers, **U.T. Austin ranks near the lower quartile, nationally, in tuition and state support per student.**"

*Translation:* The university can set its own tuition rates, subject to oversight by the legislature. But the pressure to keep tuition low during this time of economic stress is a major factor. **And financial support from the Texas Legislature continues to diminish as a percentage of the university's entire budget.**

Finally, this all-important comment from Cigarroa: "I am committed to working with President **Bill Powers** and our Legislature to **identify new funding streams necessary to promote excellence, while remaining affordable.**

*Translation:* The operative words here are "new funding streams." It will be interesting to see how this plays out.

Cigarroa seems to be laying the predicate for an immediate push on behalf of UTAustin. As he told the Regents: "Certain junctures in time demand that our vision be focused on certain opportunities, and **it is the right time for U.T. Austin to be the best university in the nation.**" Pretty strong words. Pretty bold statement.

**One major change you can expect in the years ahead – a shift in investment from construction of buildings to computing power.** Cigarroa told the Regents that "high-performance computing is no longer just *desirable*; it is *required* for our scientific work and our ability to recruit world-class faculty and researchers." Major moves are ahead.

**Early voting begins in the Austin area Monday, 10/18/10, and despite all the noise surrounding various candidates, there is one ballot issue that is being largely overlooked.**

Election Day is Tuesday, November 2<sup>nd</sup> 2010. **But more and more savvy voters take advantage of the early voting period from Monday, 10/18/10, through Friday, 10/29/10.** Those who have made up their minds after being bombarded with ads, news stories, discussions and commentary are probably ready to avoid Election Day lines and vote when their schedule allows during the last couple of weeks of October.

But there is one ballot issue that has not been in the spotlight because very little, if any, money is being spent on the spending issue – pro or con. The City of Austin’s bond package, if passed, will spend **\$90 million for “mobility” projects.** Just because no money is being spent to fight it doesn’t mean there is no opposition to the Bond Package.

As we have reported previously, the Real Estate Council of Austin (RECA) opposes the package. RECA reasons: **“During times of economic stress, Austin should not be borrowing for other than critical needs and this package, taken as a whole, does not meet that test, because 43% of the package is dedicated to non-essential, alternative improvements such as hike and bike trails, which are important quality of life projects, but not critical.”**

The Austin City Council set it up so you do not have the option to “cherry-pick” the items you like or dislike. It’s a package. Either accept, or reject, everything in the bond proposal. Take it or leave it. By the way, RECA conducted a survey and found that an overwhelming majority of respondents, **79% to 17% (4% unsure), felt the bond package should have been split.**

Speaking of things political, **Dr. Louis Overholster** takes delight in spotting unusual hand-written signs at various protest rallies, some with errors, such as “Who needs oil? I ride the bus,” or “5 years to many,” or even a very practical sign that read “I want a sandwich.” But his all-time favorite (so far) is: “Get a brain, morans!”

Sincerely



Editor/Publisher