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Dear Client:

**As 2010 winds down, it is important to examine what has happened to jobs in the Austin area. Or, more appropriately, what are the results in job creation.**

It has long been noted that jobs provide the base for a strong economy. Paychecks from jobs circulate throughout the Austin economy. And, in general, **more jobs create a rising tide that lifts many businesses, while helping wage earners with their daily existence.** Obviously jobs are created by expanding and ramping up of existing businesses. But what about jobs created *this year* by companies that were *not here last year*?

According to the Austin Chamber of Commerce, **2010 is on its way to seeing five times the jobs created by newly-located operations than were recorded in 2009.** Think about that. This is a huge jump at a time the rest of the nation is locked in job-creation doldrums as a result of the lagging national economy.

How does this increase break down? In 2009, 17 relocations created 547 jobs in the Austin metro. **Year to date, in 2010, 24 company relocations resulted in the creation of 2,373 jobs.** And, when you add the totals of 2009 and 2010 so far, here's how the jobs break down by sector: **digital media, 10 ... medical device/bio sciences, 8 ... headquarters/regional offices, 7 ... software, 5 ... clean energy, 4 ... semiconductor, 2 ... data center, 1 ... and "other," 3.**

The Chamber has tracked 182 companies locating to Austin since the inception of its multi-million dollar development program called Opportunity Austin. **Until this year, other parts of Texas were the main source of company re-locations (43 companies). Now, California (45 companies) outpaces the rest of Texas as the origin of re-locating companies.**

You've read for a couple of years in this letter about the problems in California. But Monday, a former Californian who still wears Birkenstocks called **California "the Lindsay Lohan of states"** in *The Wall street Journal*. **Allysia Finley** explained by saying that California is **"a prima donna who once showed some talent but is now too wasted to do anything with it."** She continued by directing her comments to California: **"We'd feel sorry for you if you didn't constantly flip us the bird. Instead, we're making bets on how long it will be before your next meltdown. Oh, wait – you're already melting down."**

**The range of new companies setting up shop in the Austin metro during 2010 is quite impressive. And the one thing they have in common is that the businesses are creating jobs for those who live in the Austin area.**

The variety of the jobs would seem to offer “something for everyone.” While it is difficult to list all the companies that have announced decisions to create jobs in Austin, it is instructive to consider some of the companies that decided to bet their future success on the Austin metro.

You’ve probably seen the TV ads for **LegalZoom.com**. It is a leading provider for do-it-yourself legal documents online. LegalZoom decided to expand its regional headquarters from Los Angeles and in the process will **create 600 jobs** in Austin.

**Facebook** is now the largest and most well-known internet company in the world, with 400 million users. When it decided to select an area for **its first office expansion in the US outside of California**, downtown Austin was the site it picked to **create 200 sales and operations positions**.

Another online-based company, **HostGator**, said in May it will take about 100,000 sf. of space in Austin to house **200 employees (increasing to 300 within 36 months)**. It is a world leading and industry recognized hosting provider.

A leading US provider of orthotic and prosthetics devices is moving its corporate headquarters from Maryland to the metro area. In the process **Hanger Orthopedic Group will create 130 jobs initially and plans to increase to 236 positions**.

Another corporate **HQ re-location** will consolidate operations from Seattle, East Texas and China into one facility in Pflugerville. **National Scooter Company** will design, develop, manufacture, sell and distribute a multi-line of bikes, scooters, motorcycles and electric cars.

And South Korea-headquartered **Samsung** has been so pleased with its investment in Austin at its only semiconductor facility in the US that it announced it will spend an additional \$3.6 billion to expand a new R&D operation & New Chip Technology. **This brings the total Samsung investment in Austin to more than \$9 billion and adds 500 new jobs**. When all is said and done, this commitment will increase its total employment in the Austin area to 1,500 by next year.

This is just a partial list of new jobs created in 2010 through major investments by companies in the future of Austin. Looking back over the past year – September 2009 to September 2010, the US Bureau of Labor Statistics added up the totals from 100 biggest metros all over the US and this past week announced **Austin is the 6<sup>th</sup> fastest-growing city in the US when you count the actual number of new jobs** generated, without regard to size of the city. **And, by percentages, Austin came in first for job growth, rising about 2.43% year-over-year.**

**It was Horace Greeley who wrote in the 1800s “Go west, young man, and grow up with the country.” While it wasn’t what Greeley had in mind, if you haven’t been to western Travis County and/or Burnet County lately, you could apply this famous quote to these two booming areas west of Austin proper.**

In today’s national financial environment, what is being called an **economic “game changer”** is underway in the fast-growing Lakeway/Bee Cave area. The reason: when this facility is completed inside the Lakeway city limits, **it will change the economics of the region by the number of jobs and the millions of dollars** that will be pumped into the economy.

Ground has been broken for the **\$150 million Lakeway Regional Medical Center (LRMC)**. When the first phase is complete, the hospital will have 177 beds, along with emergency medical services. It will also offer heart bypass surgery, cancer therapy, radiation treatments, OBGYN, orthopedics and more. **Phase one could result in 3,000 jobs** – including doctors, nurses, therapists, support staff, etc.

There is much more economic activity that will be generated by this facility, near the Hill Country Galleria just off RR620 and Flintrock Trace. **LRMC will be primarily owned by its physicians** with the management firm, Surgical Development Partners of Franklin Tennessee, owning 15% and private investors the other 5%.

Just a few miles further west, across the Pedernales River, **two major master-planned communities involving thousands of acres** are in the final approval stages and ready to jump off the drawing boards in Burnet County/Marble Falls. Additionally Scott & White Healthcare announced in September it has bought 116 acres of undeveloped land where it will build Lake of the Hills Regional Medical Center in the Marble Falls vicinity.

According to the *Austin Business Journal*, **SouthStar Development Partners Inc. is developing Flatrock Springs with more than 2,000 residences** and 700,000 sf. of retail, commercial and office space. It will be on 1,030 acres at the northwest corner of Texas Hwy71 and US281.

Meanwhile, **Falling Waters, planned to be a 356-acre development with homes, apartments, retail and a luxury hotel, is in the final permitting stages.** It is about six miles north of the Flatrock development, along Lake Marble Falls. Falling Waters is being developed by **Kirk Patterson** and his two partners who have owned the land for 30 years.

This isn’t all. SouthStar’s Skywater over Horseshoe Bay is a 1,618-acre residential development launched during the recession. Similar to Lakeway/Bee Cave, **Marble Falls appears poised for rapid growth because of its location along two major roadways** – Texas Hwy71 from Austin, intersecting with US281 from San Antonio. This bears watching.

**You pay more to the City of Austin for your wastewater services than you do for water. So, do you want to reduce your wastewater bill? If so, here's how to do it and now's the time.**

Your water meter measures your monthly *water* usage. But there is no meter on your *wastewater* line. So, for billing purposes, **the City of Austin estimates the amount of wastewater you discharge into the city's sanitary sewer system.** And you can use the method the city uses to calculate that estimate to actually **reduce your wastewater charges.** This is the time of year to do it. Here's how it works.

The city monitors your water usage over the **three consecutive monthly billing cycles that occur between mid-November to mid-March.** The wastewater average is calculated from the average of the two months with the lowest daily water usage.

The city assumes the *outside* water usage is usually minimal during the late fall and winter months. It reasons that, during this period, **the water usage generally equals the inside use that is also discharged as wastewater.**

**So, you can lower your wastewater costs for the next year by conserving water use during these billing periods.** The reason wastewater charges are higher than water is that wastewater must be more extensively treated before it is clean enough to release back into the environment.

The City of Austin also suggests you can use its online water calculator, utility statement graphs and online utility usage history to keep track of your water habits. The place to go for this info is [www.AustinWater.org](http://www.AustinWater.org).

With this week's end to Daylight Saving Time, and the change in "sleep cycles," **Dr. Louis Overholster** observed that even those who normally have trouble finding their car keys or locating their cell phone, are able to find and push the alarm clock snooze button from three feet away, in about 1.7 seconds, eyes closed, first time, every time!

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