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Dear Client:

The Austin-Round Rock-San Marcos metro has returned to an expansionary pattern and is expected to remain one of the strongest-performing areas of the nation.

This is Texas economist **Ray Perryman's** long-term forecast that covers the 2010-2035 timeframe. He says "the **growing population, highly educated workforce and presence in key growth sectors** set the stage for continued economic growth."

Perryman also predicts that, **from 2010 to 2035, the 5-county Austin metro's population will rise about 1.26 million. Almost 504,000 new jobs are also likely** over that timeframe, and the **services sector** will account for the lion's share by far — more than 60% of the total job gain. Other important sources of jobs during the 25-year period are the **trade and government sectors.**

Perryman points out the ongoing national recovery will benefit the area's **distribution-related industries.** He went on to say that "although some technology segments are challenged by intense international competition, **the area is also establishing itself in emerging segments in a variety of tech-oriented niches.**"

Of course the Austin metro is not an economic island in the state of Texas. In many ways, each major Texas metro area is intertwined with the other. But it is comforting to know Perryman says that, of the major metros in Texas, "**the greater Austin area is likely to see the fastest economic expansion with output growth of 3.78%.**"

Over the 25-year forecast period, Perryman predicts these economic expansion percentages, compared to Austin's 3.78%: **Dallas-Plano-Irving metro division, 3.71% ... Fort Worth-Arlington metro division, 3.63% ... Houston-Sugar Land-Baytown, 3.58% ... Texas, 3.58% ... San Antonio-New Braunfels, 3.55% and El Paso, 3.35%.**

Perryman's *long-term forecast* comes out at the same time as another recent report that focuses on the *immediate future.* **The Manpower Employment Outlook Survey ranks the Austin area fifth on a list of US cities with the most healthy employment outlooks.** Overall, the Texas job market came in as the third-best among US states.

Downtown Austin will be difficult to navigate for three days this weekend as the Austin City Limits Music Festival draws thousands upon thousands of music lovers to the area.

During the festival, September 16th through September 18th, **Zilker Park and the Zilker Botanical Gardens will be entirely closed to the public.** Street closures around Zilker and downtown will take place from 9 am the 16th until midnight the 18th.

Of course, all of this spills over into the downtown area and nearby neighborhoods as there is **no parking available at the festival site.** Shuttle buses will be running back and forth. Pedestrians and bicyclists will be moving throughout the area.

Several law enforcement agencies (including the Alcoholic Beverage Commission) and security personnel will be trying to **maintain order and deal with violations.**

Speaking of protection, the national cost for security has increased exponentially ten years after 9/11. The numbers may surprise you.

Before 9/11, the US spent about \$30 billion a year on its civilian intelligence agencies, according to the *Los Angeles Times*. Today, such spending has nearly doubled to about \$55 billion. **This is more than the entire State Department budget.** Add in spending on military intelligence, and the intelligence budget comes to more than \$80 billion. The *LATimes* observed: **“There’s no such thing as too much security. But there is such a thing as security that’s too expensive.”**

New York City, the site of the worst attack on America in its history, is probably the safest city in the world says its mayor. What is behind that claim?

When NYC Mayor **Michael Bloomberg** appeared Sunday on CBS-TV’s *Face The Nation* on the 10th anniversary of the 9/11 attacks, he tossed out some figures guaranteed to get your attention in support of his claim that NYC is “probably the safest city in the world.”

Listen to Bloomberg’s words: “We have 1,000 cops dedicated just to intelligence and counterterrorism. **We have more Urdu and Pashtu speakers than the CIA and the FBI put together.** We have 3,000 cameras. We have all sorts of stuff. We spend \$8.5 billion a year on our police department alone.”

He went on to say “there are other people that help as well. So ... I don’t think that you and I should worry about it. **If you see something, say something. Leave it to the professionals. But you are safe.**” As the *LATimes* put it: “There’s no such thing as too much security.”

Finally, after years of speculation, discussion and debate, the possibility of a major medical school located in Austin is picking up steam. And besides the obvious benefits if it becomes a reality, it could mean a mini economic boom for the area.

Longtime readers of this newsletter know that the possibility of a medical school in Austin has been discussed on-and-off for years. But this week something happened that indicated the impetus for such a facility has gained momentum. UTAustin President **Bill Powers** *publicly* acknowledged that an **existing collaboration involving the prestigious UTSouthwestern Medical School in Dallas and Austin's Seton Healthcare Family must be pushed "forward to bring all this together in a medical school."**

Then he took the next step. He said that Austin-area State Senator **Kirk Watson** will outline a plan for this to happen within the next few days. This is key because **any move toward a medical facility would involve approvals by the Texas Legislature.** And Watson is enthusiastic about the prospect.

The senator recently issued a statement saying that **"A flagship health science center and medical school represent a significant opportunity.** It's time for Austin to come together and act, creating a flagship initiative that can **fortify our future and lead the world in the fields of medical education, health care and bioscience."**

This move gained public backing from the highest level of the UTSystem less than a month ago when UTSystem Chancellor **Francisco Cigarroa** (a medical doctor himself) **recommended the prospect to the UTSystem Board of Regents.** So it is all coming together at the higher education level.

Powers and others have been supporting the concept by pointing out (as we have repeatedly reported) that only a small group of university members of the highly-regarded American Association of Universities do not have a medical school, and **Austin is the largest city in the US without a medical school.**

Building a medical school is expensive – maybe as much as a billion dollars, according to some estimates. But the medical facility could create almost **15,000 jobs and generate more than a billion dollars a year in economic activity** throughout the Austin area.

As for local leadership, Austin's mayor **Lee Leffingwell** has long been supportive of a medical facility and last year predicted a medical school in Austin would become a reality by 2015.

Then there is this thing called synergy. **TexasA&M already has a bricks-and-mortar medical facility growing in the Round Rock area. Both institutions have pledged cooperation.** As we noted above, it seems that everything is now coming together.

Central Texans apparently can't get enough of home-grown high-dollar straight bourbon whiskey. And they're paying a pretty penny for the privilege.

Garrison Brothers Distillery has been notified by its distributor that **all 4,368 bottles of the spring 2011 release of Garrison Brothers Texas Straight Bourbon™ Whiskey have been sold.** The sold-out release was the third and largest release. A few bottles at liquor stores in Austin, San Antonio and some small towns in between are the last available anywhere.

“Needless to say, we're amazed, delighted and proud,” says proprietor and distiller **Dan Garrison.** “It's a blessing and a curse though. **We want to start offering our bourbon in other parts of the state but thirsty Central Texans keep drinking it all.**” Garrison swears it's the best tasting bourbon around.

With its kitchen, stillhouse and barrel barns in the tiny Hill Country town of Hye, **Garrison Brothers was the first legal whiskey distillery in Texas history and is the first pure bourbon distillery built since Prohibition ended.** The business was founded in 2006, began making whiskey in 2007, and is owned by the Garrison family and a few of their friends.

Dan Garrison has personally nurtured every barrel of bourbon, aided by just a handful of folks. **His product has become so cherished that starting next week, volunteers will show up once again to help bottle the fall 2011 bourbon release.**

The release date depends upon how long it takes the volunteers to put the **94-proof whiskey in the hand-numbered, hand-labeled 750ml-sized bottles that display the Texas star.** The neck and cap are hand-dipped in a thick black wax. The neck-wrap or wax-breaker is a thin strip of deerskin lace. **Garrison's signature is on every bottle.** Oh yeah, the cost. Depending upon where you can find it, expect to pay \$75-\$80 a bottle. As Dan Garrison says, “Damn right, it's expensive and it's worth it.”

Dr. Louis Overholster gave up starting his own business saying, “Just about the time when you think you can make ends meet, somebody moves the ends!”

Sincerely



Editor/Publisher