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Dear Client:

You will have two new north-south roadway travel options in Austin starting in two to three years, if the current planning stays on track.

The two sections of roadway: **MoPac (Loop1) north and the North Lamar/Burnet Road corridor**. When/if these projects come online, commuters will have new options to reach downtown where about 30% of the Austin metro jobs are located. Let's look at MoPac first.

If you drive MoPac regularly then you will not be surprised to learn that it is **one of the state's top 100 congested roadways**. If all goes as planned, you will have the option to bypass some of MoPac's traffic. The plan calls for variable-priced express lanes on MoPac.

The price to travel the express lanes will depend upon the time-of-day and the highest-traffic volume. Also part of the regional plan is to offer *free* access to these lanes for vanpools or buses. The start-date is in 2015. This option should not only provide speedier travel for those who pay the toll, but it should open up the non-tolled portion of the road for other motorists.

The other project involves bus service on a north/south route. It's called MetroRapid bus.

As the name implies, the MetroRapid bus service will be designed to move passengers at a quicker clip along its route. **The planned routes run along North Lamar to South Congress and Burnet Road to South Lamar.** The stops will offer real-time arrival signs and enhanced platforms.

The planners estimate the new bus service would be **up to 30% faster** than current local bus routes. As a result, Capital Metro predicts an **increase of 35% to 50% in passenger moving capacity.**

Maureen McCoy, who heads up the regional transportation organization CAMPO said that taken in tandem, **the two projects offer mobility solutions short term for northwest Austin and UT Austin's West Campus area.** On 5/14/12, a public hearing will consider how to spend **nearly \$130 million in state funding designated for regional transportation projects.** The money must be allocated soon or risk being used on projects outside Central Texas.

Speaking of mobility, you haven't seen pedestrians crossing Austin intersections at the "wrong" time, have you? And you haven't done that either, have you? Okay, those questions are facetious, but the problem is real. And steps are being taken to enhance the safety factor.

This past year, the City of Austin has installed 12 Accessible Pedestrian Signals (APS). The signal boxes at the intersections provide *audible* and *tactile* cues that coincide with the *visual* signals. **This lets pedestrians know precisely when it is safest to cross the street.**

So how does this work? **There are audio recordings at these intersections.** A pedestrian can hear the street names and other guidance. This is especially helpful at multi-directional intersections (not just your standard two streets criss-crossing). And it really benefits the visually impaired. **Overall, it reduces the risk of pedestrians crossing the street without a protected signal.**

It takes eight push-buttons to outfit an intersection at a cost of \$6,000 per intersection. Funding for these upgrades currently comes from the city's Capital Improvements budget and the 2010 voter-approved mobility bond issue.

So what's the plan going forward? First of all, the city has identified about 30 locations where there are "**hybrid**" intersections. Those are at the top of the list. An obvious location for the future is near the **Texas School for the Blind**. Another is the **Veterans Administration Hospital driveway**, as well as other locations where special needs exist. The city plans to ramp up these efforts in the following years, with the **goal of upgrading 50 intersections per year** throughout the system as funding becomes available.

What are the cheapest cars to own — not just to purchase, but what will a car *cost* you to operate over a five-year horizon?

Automotive data firm Vincentric calculated *ownership* costs, including **repairs, maintenance, taxes, fuel, insurance, financing with a five-year loan, the opportunity cost of not investing your out-of-pocket expense elsewhere and depreciation.** Then those factors were compared with autos rated by *Kiplinger* that rewarded performance, value and safety. The results:

Highest among **compact cars** is Nissan's base Versa (five-year cost: \$27,135). But *Kiplinger* thought the Ford Focus S (\$31,553) was a better choice due to its high resale value. Top **mid-size sedans** are the Toyota Camry (\$34,237) and the Volkswagen Passat S (\$36,063). **Luxury car** shoppers should consider the Audi A3 2.0T TDI (\$43,138) and Acura TSX (\$45,575). And finally, in the **midsize/large crossovers** the Dodge Journey SE (\$37,523) is the cheapest, but for tried and true value, the analysts recommended the Honda Pilot LX (\$44,396). Of course it goes without saying, no Texas trucks were considered cheap to own!

Austin now has the third largest gaming workforce in the nation, right behind Los Angeles and San Francisco. Gaming is fast-growing here and the industry is somewhat volatile.

In this context, *gaming* has nothing to do with *gambling* – even though outfits such as the Texas Lottery call their efforts gaming to get away from the negative impression of gambling. We’re referring here to the **tech version of gaming, where software developers build games for use with video, etc.**

By one estimate Austin has more than 250 of these gaming companies. And the sector growth has exceeded 155% in ten years. Gaming fits with the “creative” reputation Austin enjoys and it can generate a lot of revenue. By its very nature, it attracts some of the sharpest, young techies.

But it is a volatile business. Gaming companies come and go. Once a product is launched, unless the company is huge with a pipeline full of potential products, layoffs can occur. But, more and more, companies are moving here and many are starting up from scratch. So while there is employee movement from company to company, growth continues in this sector.

Speaking of growth, *population* growth in the Austin area ranks second in the nation for the period between April 2010 and July 2011.

USCensus data released this month shows the **5-county Austin-Round Rock-San Marcos metro area added 67,230 people, for an increase of 3.9%.** Only Kennewick-Pasco-Richland Washington surpassed that percentage increase, notching a 4.3% population growth rate. And only two other metros recorded a population growth rate in the “threes.” Hinesville-Fort Stewart Georgia came in with a 3.4% growth rate to rank #3, and the **South Texas metro of McAllen-Edinburg-Mission grew at a 3.0% rate to rank #4 in the nation.**

You may have noticed an upsurge in traffic congestion during the past 15 months. Think about it. **The 67,230 population increase means that the metro area grew by 4,482 people a month.** Forget percentages. This was enough in pure numbers to rank 10th in the nation – right up there with the biggie metros.

By the way, **this puts the official Austin metro area population at 1.78 million.** Take a deep breath. The area may have a “small-town-feel” as some have claimed, but it is no longer a small town in any sense of the word. Growth is rampant.

All this is a *backward* look at what has happened in the midst of the nation’s worst recession since the Great Depression. Now, look *forward*. **With Austin at or near the top of most economic indicators today, the growth rate is like a runaway 18-wheeler barreling down a steep hill. Hang on. You can expect more of the same for the immediate future.**

One of the reasons for the Austin metro's current powerful surge in population is that it is the best city in the US for small business.

Small businesses are generally considered drivers of the economy. Big companies get the notoriety. **But, in total, more people work for small businesses than work for large organizations and businesses.** (A small business is generally defined as any private sector employer with fewer than 100 employees.)

Bizjournals.com has an entity called *On Numbers* that, as the name implies, crunches all sorts of numbers related to business. In this case *On Numbers* put together a **six-part formula to analyze small business climates** across the nation. The components included five-year population growth, five- and one-year private sector employment growth, **concentration of small businesses per 1,000 residents, one-year change in that concentration and one-year growth in the number of small businesses.** Then it was broken down by region.

The "Final Four" winners by region: East (21 markets) **Pittsburgh** ... South (37 markets) **Austin** ... Midwest (19 markets) **Minneapolis-St. Paul** ... and West (23 markets) **Salt Lake City**. Each was given a "vitality score." Interestingly some 2nd and 3rd place finishers in "vital" regions had higher scores than other regional winners such as Pittsburgh and Minneapolis-St. Paul.

Austin had the highest small business vitality score of 46.88 for 2012, way ahead of #2's 40.89. This was by no means an anomaly. Austin also finished first in the nation in *On Numbers* rankings for 2011 and 2010.

Conclusion: Austin provides the best opportunities in the US for small businesses to grow and prosper. And this ties in directly with the population surge in the Austin metro.

Dr. Louis Overholster observes that politicians and diapers have one thing in common. They both should be changed regularly, and for the same reason!

Sincerely



Editor/Publisher