

THE

Neal Spelce

AUSTIN LETTER

www.AustinLetter.com

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

Volume 34, Number 5

April 27, 2012

Dear Client:

Since 2010, the number of tourists traveling around Texas has been increasing, following a slowdown during the national recession. Central Texas communities and businesses are benefitting economically, but the #1 attraction for cash-toting travelers is south of Austin.

There is a lot to see and do in this very diverse state. And most vacationers visit multiple tourist sites during a single trip. The attractions at the top of the list are a bit different for Texans traveling *inside* their own state as opposed to visitors from other states or countries. But there is one exception – **a trip to the Alamo in San Antonio is, hands down, the favorite destination.**

The draw of the Alamo is obvious. **Visitors are quiet, reverent, respectful as they walk through the historic shrine** and re-visit the history of the battle where heroes died March 6th 1836 leading Texas to soon win its independence April 21st 1836 in the Battle of San Jacinto, near Houston.

More mundane stops also are high on the favorites for travelers – such as the **San Marcos Outlet Mall** and the Fort Worth stockyards. But, by and large, the usual suspects are high on the visitor's lists. Here in Central Texas, the **State Capitol** and the **Hill Country** join the Outlet Mall in popularity.

San Antonio, long considered a top tourist destination, gets a spinoff benefit by having the Alamo in its midst as visitors also rate the **River Walk, Sea World and Six Flags Fiesta Texas** highly. Other nearby attractions on the favored list include Schlitterbahn. Galveston and South Padre Island are also cited by visitors as is the Space Center near Houston. There are others, but you get the gist.

In addition to destinations, **no matter where they go travelers in Texas place dining at the top of their list of things to do.** And dining is followed by **shopping**, with **entertainment** to round out the top three. Number four on their list of favorite activities is sightseeing.

All of this adds up to a lot of spending that goes well beyond the primary recipients such as hotels, retail outlets and restaurants. The multiplier effect developed by The Perryman Group back in the 1980s shows **positive effects rippling throughout the economy**, as employees and business owners spend these tourist receipts on all manner of services in the local communities. Another area impacted by tourists are the state's lakes and parks. Check out the next item.

Parks and recreational areas, such as lakes, abound in the Austin area and around the state, and they are economic generators. But it's not just the recession that has impacted these attractions, the weather and natural disasters have played a role as well.

Texas is home to 94 state parks and historical sites. Totaling almost 587,000 acres, these parks, historical sites and natural areas are located in 98 counties across Texas. **And the Central Texas area has more than its share.** Oh, and don't forget, there are also 13 *national* areas in the state. This big, diverse state has numerous tourism options.

Remember, tourists are not just some faceless visitors from somewhere else. **You are a tourist anytime you visit a lake, hunt or fish, or drive to San Antonio, Fredericksburg, the Gulf Coast, etc., for an outing.** The dollars you spend are counted as tourism dollars.

This aspect of tourism has suffered in the Austin area and around the state recently. **The drought has taken a toll on Texas state parks and waterways.** Just look at area lakes, such as Lake Travis, where low water levels have forced the closure of boat ramps and docks and impacted business along the shoreline.

Several parks were hit by last season's wildfires (Bastrop is an example), sustaining an estimated \$11 million in damage. **The parched conditions, burn bans and extreme heat discouraged visitors through the summer and in many cases people continue to stay away.** Visitation revenue has fallen by 8.4%, according research compiled economists at The Perryman Group.

As a result, this segment of tourism is a **two-sided financial coin.** For a long time, tourism has been a **dependable money-maker.** Visitors arrive, have fun, drop substantial sums of clean money, then go back home. No money needs to be spent on educating their kids or provide services normally provided for area residents. **But now money is needed** to build back the attractions that have proven their worth in the past.

Additional funding needed to get parks and lakes back to normal, plus a combination of local, state and federal budget problems impacted by fewer visitors, **"could threaten the financial viability of the system,"** warns Perryman. "It is important to ensure budgets are adequate to protect precious park resources."

Perryman points out that a number of studies show the **economic benefits of these recreational areas are substantial.** "In addition to the visitation revenues, spending in local areas is a notable stimulus," Perryman adds. "Dozens of studies have documented that **parks enhance the value of nearby land.** The results consistently indicate **very high returns on funding for parks.**"

Of course, **the wild card in this economic game is the weather and its related phenomenon of wildfires.** This is unpredictable. But no matter what happens, more money may be needed.

Speaking of weather and its effects, Stage 2 water restrictions are still in effect for *Austin Water* customers – even though recent rains have lessened the effects of the drought and added more water to the lakes that provide the Austin area with its water.

Why are there still restrictions on your usage of water? Well, because **the combined levels of Lakes Buchanan and Travis are less than half-full**. In fact, Lake Travis is 31 feet below its normal for April, and Lake Buchanan is 16 feet below normal for this time of year. So *Austin Water* is keeping the Stage 2 restrictions that went into effect September 6th 2011. How strict are these restrictions? Take a look at some of them.

Watering is allowed only one day per week for *all* Austin water customers, residential, commercial and multifamily. Even on the designated watering day, no automatic irrigation is allowed after 10 am. But hose-end sprinklers and soakers can be used before 10 am and after 7 pm on your designated watering day.

Hand watering is allowed anytime. Vehicle washing is allowed only on your designated watering day and times. **No charity car washes are allowed and no water is allowed to be served at restaurants unless requested.** No washing of sidewalks, driveways, parking areas or other paved areas is permissible.

Which are the designated days? **Saturday is for residences with an *odd*-numbered street address and Sunday is for *even*-numbered residential addresses.** Tuesday is the designated watering day for commercial and multifamily with *odd*-numbered addresses, and **Friday** is set aside for *even*-numbered commercial and multi-family addresses.

What if you violate these restrictions? Violations will result in an official warning, followed by a citation if the violation is not corrected. **Citations will be issued in Municipal Court with fines set during Stage 2 at \$475.** And, *Austin Water* is putting out the word that if violations are observed, the observer should report the violations by calling 3-1-1. If you need more info on what Stage 2 means, you can go to the Austin's water website, www.WaterWise.org.

It's almost not news anymore since it happens with such regularity, but the state and key Texas cities are doing especially well in terms of jobs and unemployment.

Austin's unemployment percentage in March dipped down to 6%, as it added 1,800 jobs. Texas unemployment stood at 7% in March. Nationally, the rate was 8.2%. Some smaller metros in Texas are also doing quite well. Corpus Christi added 1,500 jobs and saw its March unemployment drop to 6.8%. **Midland's oil/gas-boom economy leads the wow factor with the state's lowest unemployment at an impressive 3.7%,** while neighboring Odessa clocked 4.4% to come in as the second best in March.

Just a week after a 30-story downtown office building announced it will break ground later this year, a 33-story hotel a block away said it will break ground in June.

The area around Congress Avenue at 2nd and 3rd Streets is already humming with activity and now you can add long-term construction activity to the mix.

The folks who brought you the landmark 30-story Frost Bank Tower said they will erect another **high-rise office building one block west of Congress Avenue at 3rd and Colorado Streets**, on property that is currently a parking lot across from Sullivan's Restaurant.

And developers of the long-discussed **high-end, high-rise JW Marriott Hotel** told the *Austin American-Statesman* in an exclusive interview this week it has its financing in place to begin construction of what will be **Austin's largest hotel (at 33 stories with more than a thousand rooms), fronting Congress Avenue between 2nd and 3rd Streets.**

These two projects look good-to-go. **Another 1,000-room high-rise convention hotel has been announced adjacent to the Austin Convention Center a few blocks to the east of these projects within walking distance, along Waller Creek.** While the developers are saying all the right things about starting soon, no construction start date has been confirmed.

Previously, we reported how **Houston has been publicly holding Austin up as an example of building convention hotels, while decrying the lack of hotel rooms near its George R. Brown Convention Center.** Well, the Houston Convention Center issued a Request for Qualifications and just received responses from nearly a dozen developers and design teams to build a new hotel there. The group associated with Austin's J W Marriott was one respondent.

Dr. Louis Overholster says expectant mothers with heart trouble are more likely to have girls. While mothers who have boys are likely to develop heart trouble shortly after!

Sincerely



Editor/Publisher