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Dear Client:

More than two decades ago, Austin business leaders, environmentalists and governmental entities were all tied up in knots about what to do when two bird species found in the Austin area were designated “endangered.” A solution was reached, so what is the status today?

A pitched, very public battle was waged over the habitat of the Golden-Cheeked Warbler and the Black-Capped Vireo. For example, **the Warbler primarily nests in undeveloped areas in-and-around the city that are overgrown with cedar trees (juniper), oak trees and undisturbed underbrush**, primarily in the hilly and craggy west and northwest portions of the Austin area.

These areas are also the most desirable for homes. The solution: **thousands of acres of land were set aside in preserves to remain undisturbed for the birds to nest, but development could occur around and adjacent to those areas.** This worked well for homebuilding, as the preserves provided great views and open space. And the birds liked it.

And how! When the Warbler was officially covered by the federal Endangered Species Act in 1990, it was thought only **about 15,000 males existed** in the cedar brakes. Now, researchers at TexasA&M are **estimating the male Warbler population is 260,000.** Quite a success story for the *birds*.

But what about the *people*? Yes, many Austinites love living in their homes in these areas, but they may be in danger. As the Austin Public Safety Commission co-chair **Mike Levy** likes to point out, about **10,000 homes could be destroyed in an uncontrolled firestorm.**

Now that there are 20 times more birds in the area than when the preserves were first created, Levy and others are proposing cutting **fire brakes, access lanes and using controlled burns in these undisturbed areas** to help firefighting efforts. They also point out over the years a lot of dead wildland fire fuel has accumulated.

If this effort to implement fire control and fire management steps in the preserves gains ground, you can **look for the environmental and wildlife communities to crank up their opposition to such moves.** The battles of more than two decades ago may seem mild when compared to what can be expected this time around.

Employment growth has moved away from the public sector to private businesses nationwide. But what hasn't changed is Austin's position as the nation's best place for jobs.

Reporting for *Forbes* Magazine, **Joel Kotkin** said that in 2011, **for the first time since before the recession, growth in private-sector employment outstripped the public sector – “a significant and welcome shift,”** he called it. Kotkin said more than half (231) of the 398 metro areas he surveyed registered declines in government jobs.

Most notably, Washington DC's economy – buoyed by government spending — expanded 17% from 2007 to 2012. **But for the first time in four years, the Washington DC region has fallen out of the top 15 big cities** in *Forbes'* annual survey of the best places for jobs, dropping to 16th place from fifth last year.

And guess which metro area sits atop the *Forbes* ranking of the best big city for jobs. You guessed it — Austin.

“Instead of government, **the big drivers of growth now appear to be three basic sectors: energy, technology and, most welcome of all, manufacturing,**” Kotkin noted. “Energy-rich Texas cities dominate our list – the state has added some 200,000 generally high-paying oil and gas jobs over the past decade – but Texas is also leading in industrial job growth, technology and services.”

“**In first place in our ranking of the 65 largest metropolitan areas is Austin, which has logged strong growth in manufacturing, technology-related employment and business services,**” Kotkin reported.

Kotkin has made a career analyzing demographic, social and economic trends. To determine the best cities for jobs, **he ranked all 398 current metropolitan statistical areas based on employment data** from the US Bureau of Labor Statistics covering November 2000 through January 2012.

His rankings are also based on mid-term growth, long-term growth and the region's momentum. And he broke down rankings by size – small, medium and large – since **regional economies differ markedly to their scale.** Still, even when he factors in those differences, many Texas cities of all sizes dominate.

But, there are a few notable Texas exceptions. Harking back to the shift from public to private and reinforcing how many government-dependent economies fell in his annual rankings, he cited certain college towns that had previously done well during the recession, but fell precipitously due to budget cuts. For instance, **College Station (where TexasA&M dominates the job picture overwhelmingly) plummeted from fourth last year on his overall list to 167th.** However, Austin and most of the key cities in Texas stacked up very well against the rest of the US. Take a look at the next item for the details.

A stack of Texas cities – small, medium and large – are among the nation’s best cities for jobs. Led by Austin, they are spread all over this spacious state. Eat your heart out, other states.

For some time now, you have seen reports where Austin leads this or that economic study. And the State of Texas has been at the top of most state-by-state economic comparisons. You also have been given info about the job status for each of the major metros in Texas. **What has not been generally reported is how the middle-sized and smaller Texas metros are doing economically**, and how they compare in the job creation department. Let’s remedy that.

Joel Kotkin’s annual study of 398 metros in the US, as reported in *Forbes*, is quite enlightening. The 2011 study just released shows that of the 65 big US metros that have more than 450,000 jobs each, the **Austin-Round Rock-San Marcos metro came in number one as the best big city in the nation for jobs.**

Houston-Sugar Land-Baytown ranked right behind Austin at #2. The **Fort Worth-Arlington** Texas metropolitan division was ranked fourth, and the **Dallas-Plano-Irving** Texas metropolitan division came in #6 nationally.

What about the nation’s mid-sized cities, those 91 metro areas with employment rolls between 150,000 and 450,000? How do the Texas cities in this category compare with like-sized cities around the nation? **Corpus Christi ranks 2nd as the best mid-sized city for jobs. McAllen-Edinburg-Mission is 3rd and El Paso is 4th.** Impressive.

Yeah, but what about the smaller metros? Where do the Texas metros rank in the category of 242 US metros that have less than 150,000 jobs? Quite well, thanks in large part to the oil and gas boom underway these days in West and South Texas. **Odessa is 1st, Midland is 2nd, San Angelo is 4th, Lubbock is 9th and Laredo is 10th.** Five out of the top ten is an exceptional showing.

Back to the big cities for a moment. Outside of Texas, which cities may be seeing the light at the end of the economic tunnel? Well, Kotkin reports some of those that were hit hardest by the bursting of the housing bubble are showing signs of new life. Among them: **Miami**, which ranks 21st among the 65 largest metros, **Tampa-St.Petersburg-Clearwater** (33rd), **Phoenix** (45th), **Riverside-San Bernardino** (50th) and even **Las Vegas** (56th).

What about California, Kotkin’s home state? Some big California cities are still doing badly, even declining in relation to other big metros. Examples: **Los Angeles** (59th), **Sacramento** (60th), and just across the bay from Silicon Valley, **Oakland** (63rd). **Silicon Valley is a shining star of recovery. It jumped 22 places to rank 5th on the best city for jobs in the nation.** Kotkin says the social media boom has also been very good for the **San Francisco-San Mateo-Redwood City area that rocketed 16 places to a solid 17th this year.** So, some good news is starting to come out of California. But Texas cities are still way ahead of the pack.

Even though Texas will not be a significant player in the presidential contest this year, the national political spotlight might shine brightly on the Lone Star State in the coming weeks. The focus: the Republican contest to replace GOP USSenator Kay Bailey Hutchison.

Fresh off the Tea Party's lop-sided defeat this week of moderate GOP Senator **Richard Lugar** by a much more conservative Republican candidate, the Tea Party is now shifting its weight and money to the May 29th Texas primary. **The Tea Party is backing former Texas Solicitor General Ted Cruz**, hoping to deny **Lt. Gov. David Dewhurst** the nomination for US Senate. In fact Thursday, Tea Party favorite **Sarah Palin** joined other big names to endorse Cruz.

Dewhurst has long been considered the favorite due to his high name ID, his personal wealth that he can spend on his campaign, and his previous statewide election victories. **He is still the favorite. But Cruz has been relentless in his pursuit of the nomination.** He has lined up a who's who of conservative backers such as Palin, raised money from conservative groups and has been hammering Dewhurst's record as not conservative enough.

Some Tea Party leaders see Cruz as the next **Marco Rubio**, the Tea Party powered USSenator. Presidential candidate **Ron Paul** has endorsed Cruz. The national Club for Growth PAC this week said it will spend \$1 million slamming Dewhurst in ads, as a moderate tax raiser. In turn, Dewhurst is running attack ads about Cruz.

Because the USSenate race is crowded with other big names like former Dallas Mayor **Tom Leppert** and TV sportscaster **Craig James**, **Cruz is hoping to get into a runoff with Dewhurst.** So, election night, check to see if Dewhurst breaks the magic 50% vote barrier that will give him the GOP nomination. **If there is a runoff, the Tea Party will have more time to rally its troops and support for what will likely be a smaller voter turnout in a runoff election July 31st.** That's when this race for the USSenate could ratchet up dramatically.

Dr. Louis Overholster is convinced that campaign rhetoric is nothing more than baloney disguised as food for thought.

Sincerely



Editor/Publisher