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Dear Client:

Those looking toward a downtown Austin urban rail billion-dollar (plus or minus) November ballot proposition, better also look to Washington. Proponents are counting on half the funds coming from the Feds, but right now, the prospects for those dollars are iffy.

Austin's urban rail backers are moving full throttle as we speak to present to voters a plan that could cost up to **\$1.38 billion for 9.5 miles of track running south from the 45th Street area, past UT Austin, through downtown, across Lady Bird Lake and down Riverside Drive.** A couple of other more modest options are also being considered; the least expensive would be \$820 million – still big bucks. *All* options are counting on the Feds to provide half the money for the project. And this is where it gets a bit dicey.

The main source of federal cash to build and maintain roads and transit systems, **The Federal Highway Trust Fund, is running out of money.** And Washington has yet to come up with a solution for finding the money to replenish the fund. In fact, the word out of Washington is **the Fund may need to delay reimbursing states for construction costs,** unless the gridlocked Congress acts.

It seems all parties agree the feds should play a role in keeping the Highway Trust Fund funded, but there is no consensus on how to do that. Congressman **Blake Fahrenthold** of Corpus Christi says “**this is something you can get bipartisan agreement on: that we need infrastructure. The trick is finding the money.**” Congress will likely kick the can down the road, and funding could dry up as soon as August.

So, where does this leave Austin? In a bit of limbo to say the least. But this is not slowing the process of moving forward toward getting Austin voters to have their say on the plan(s) in the November General Election. Capital Metro will operate the urban rail line.

Under the banner of Project Connect, the CapMetro Board and the Austin City Council will take public votes this summer. **The City Council must set the ballot language by mid-August for a November bond election.** One twist: supporters of *rail* may add *roadway* projects to hopefully pull additional voters for the plan.

So, at this early stage, who is for it and who is against it? And why? Check the next item.

Even though a possible vote on an ambitious downtown Austin urban rail project is about six months away, the battle lines are being drawn. And, so far, it's no surprise on two fronts -- pro and con arguments, and leaders of each side.

It's not surprising at *this stage in the process*, but there could be some modifications – such as **adding roadway proposals to the same ballot item that includes rail, so that voters would have an all-or-nothing option.** Under this scenario, voters would not be able to pick and choose. So, we'll have to wait until mid-August to see how that all shakes out.

But for now, the two sides have catch-phrase positions: “**Rail or Fail**” – for those pushing urban rail ... and “**Costs Too Much. Does Too Little.**” -- a recycling of a previously successful anti-rail effort in 2000. And each side has a high-profile leader: Mayor **Lee Leffingwell** carrying the water for the rail folks; County Commissioner **Gerald Daugherty** articulating for those who oppose Project Connect's rail plan.

In backing the rail effort, Leffingwell touts an “**all of the above** approach to our transportation crisis.” He recognizes the need for highways and buses but adds “**we've learned that a key component must be high-capacity transit.** Rail is part of a solution to a complex puzzle. It's time to stop trying to re-create the past and start creating a new future.”

As he put it in Monday's *Statesman* “we have to realize that we cannot just continue to construct more roads in hopes we can build our way out of traffic congestion. **We simply do not have, nor will we ever have, enough money, time or land to rely solely on an all-roads approach.**”

Daugherty counters with questions: “What's our goal? It is to reduce our rush hour traffic congestion. How will the proposed urban rail line do that? **This rail line might even take away a traffic lane for cars, trucks and buses. Why would we reduce road capacity when we desperately need more?**”

He continues saying “we also need cost-effective strategies that would actually reduce congestion: **high-occupancy toll lanes, traffic light synchronization, local street connectivity, major intersection improvements, telecommuting and staggered work time.** The only way we would have a chance to implement these is if we don't waste billions of dollars on an ineffective rail system.”

Both sides will probably go to the mat as they add supporters and start spending money nearer the election. Speaking of the election, **unlike previous bond elections there should be a very large turnout** because the ballot will carry statewide and congressional races. And, possibly more important, **local issues will be spotlighted as citywide voters elect ten city councilmembers and a new mayor** under a new districting system. Mayor Leffingwell is not running for re-election.

While on the topic of transportation, and with the summer months the most traveled at Austin Bergstrom International Airport (ABIA), you need to be aware of changes at ABIA and other airports. The net effect on your air travel: more of your time will be spent *inside* airports.

First of all, here at home, airport officials are advising you to arrive at ABIA “at least 90 minutes” prior to departure – especially during the peak hours of 5 am-8 am, 11 am-1 pm and 3 pm-5:30 pm. **This summer should be busier than the record-setting summer of a year ago**, especially since new airlines, flights and destinations will be peppering the big flight schedule boards inside the Barbara Jordan terminal.

What’s new at ABIA, you ask. **British Airways** Austin-London Heathrow nonstop service ... **Allegiant**’s first summer of service at ABIA, featuring Austin-Las Vegas nonstops ... **Aeromar**’s nonstop service to Mexico City, with promotions to beaches such as Puerto Escondido and Ixtapa-Zihuatanejo ... **Southwest**’s New Orleans-Austin service, its nonstop service to San Jose Del Cabo/Los Cabos and new Portland-Austin nonstop service. You get the picture.

Adding to your time calculations, you will need to make your way around **ABIA construction activity in and around the terminal, parking and roadways to the airport**. Then, after boarding your flight, you will also need to **make allowances for construction delays if your destination includes some of the nation’s major airports**. For example:

Dallas Love Field is going to be physically messy due to construction as Virgin America joins Southwest in its busy terminal ... and on the other side of the Metroplex, gargantuan **Dallas/Fort Worth Airport is sprucing up** to mask its age in celebration of its 40th anniversary.

Other major airports undergoing various construction projects include **Dulles International** serving Washington DC ... the important and aforementioned **London Heathrow** ... **Denver International** ... **Los Angeles**, without an upgrade since 1984, LAX is rushing to catch up ... **Newark Liberty International** is re-working its AirTrain shuttle, so buses have been pressed into service ... and **San Francisco International** where the delays may be in the air, as two of the airport’s four runways have been closed. Wheww! Best advice: plan ahead for delays.

Important non-construction changes at ABIA may make your journey a bit more bearable. For instance, **Family Friendly Valet Parking is available for \$15 a day**. Families can pull up to the upper level curbside valet area, leave their vehicle with an attendant and take a few steps into the terminal. Also a new “Thanks Again” program will allow registrants to **earn frequent flier miles and/or hotel reward points for every qualifying purchase made at ABIA**. By the way, **today May 23rd is the 15th anniversary of ABIA’s opening**. Austin was praised for turning lemons into lemonade as the Feds closed Bergstrom Air Force Base and the city jumped at the chance to build a spanking new airport to replace the aging Robert Mueller Airport.

An important source of revenue for the City of Austin, as well as other Central Texas cities, is sales tax revenue. And it is up significantly over the previous year.

It may lag a bit before it hits the city coffers, but it is cash money that comes in each month to run city government. So far this year, **\$76.4 million dollars** have been deposited to the city's account. This is an **increase of 8.7%** for the *year-to-date* over the same timeframe as last year.

Austin's current *monthly* payment of \$17.15 million (up 11.3%) represents sales taxes collected by businesses in March and sent to the State Comptroller for processing in April. Then each city's portion is sent by the Comptroller's office to the city in May.


When you are out-and-about around Austin over the June 5 to June 8 weekend you may hear the word "dude" a lot more than normal. The word will probably be uttered a lot by visitors and contestants attracted to the X Games, which will be held in Austin for the first time.

If you are over 35 you will be forgiven for saying "X Games? Huh? Whaddaya mean?" **Seriously, this is a big deal for much of the under-35 (and even much younger!) crowd.** And a lot of money, along with national attention, will benefit Austin this year and for three years afterward when the event is repeated annually.

So, what are the games? **Top young athletes will compete in exciting events such as skateboarding on challenging ramps, BMX, motocross, rally cars and even super trucks. The X Games will be televised worldwide by ESPN.** The Circuit Of The Americas (COTA) site east of the Austin city limits, is being transformed to also feature go-kart racing, learn-to-ride demos, live music, gaming, a movie theater, a sports bar, food, playgrounds, etc. And, of course the participants will fan out from COTA to enjoy what else Austin has to offer.

Speaking of youth, **Dr. Louis Overholster** says when you are dissatisfied and would like to go back to youth, think of Algebra!

Sincerely,



Editor/Publisher