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Dear Client:

With the simply amazing growth of the Austin area and nearby San Antonio, will these two very diverse metro areas soon converge? Not likely. But there is a defining event that could propel a confluence, according to an expert whose profession is tracking such trends.

The prospect of closer linkage between these two dynamo metros has long been a subject of discussion and action. As an example, the **Austin-San Antonio Corridor Council has been exploring various levels of cooperation for decades.** And, at one time, then-Congressman **Jake Pickle** suggested Austin *not* convert the abandoned Bergstrom Air Force Base into its municipal airport. Instead, he proposed **Austin and San Antonio jointly build and operate a major airport between the two cities** – much like DFW between Dallas and Fort Worth.

“I’d be really surprised to see Austin and San Antonio one day collectively begin to resemble the DFW urban cluster,” said the City of Austin’s demographer **Ryan Robinson**. Then he added: **“but without a doubt I do expect them to become far more interrelated than they’ve been in the past.”**

“Austin and San Antonio are of course still very different from each other culturally and economically,” Robinson pointed out. **“But that’s beginning to finally change, especially economically.** And yet, Austin is a far more demographically diverse urban region than San Antonio, and that divide is probably increasing.” So, Ryan, what would further a linkage?

“To my mind, the single most influential event that would propel the coming together of the two great cities is high speed rail,” Robinson said. “Imagine stepping on a train in western downtown Austin and seeing the Alamo out the train window about 30 minutes later. Talk about time-space convergence.”

Could you be living at a time when a CAPITALAMO region is en route to becoming a combined economic and cultural powerhouse? It bears tracking.

Robinson is the official demographer for the City of Austin. He really enjoys taking numbers from a variety of reliable sources, analyzing them, and making projections that government and businesses use regularly. For instance, a current pronouncement is **the Austin area grows by 110 net arrivals daily.** Check out the next item to see how he arrives at that amazing number.

It's almost hard to believe the Austin metro population increases by a net 110 arrivals, on average, daily. (On 2nd thought, it may not be all that hard to comprehend when you sit in drive-time traffic!) Question: is 110 a real number? If so, how was it determined?

The Austin area's rapid rise in population is verified by the official USCensus, taken every ten years (most recently in 2010). But a *daily* number really drives home what you can **feel almost intuitively as you experience all the different ramifications of rapid population growth.** So, how did City of Austin demographer, **Ryan Robinson**, come up with a net 110 average daily arrival number for the 5-county Austin-Round Rock-San Marcos metro?

"For starters, it's a rough estimate," Robinson pointed out. And he notes that **"of course, cities grow and decline, not in a perfectly measured daily dose, but they grow and decline in surges."** So, what is his math?

"Metropolitan Austin grows by about 60,000 people a year," he commented. This is a number that is verified by "nose-counting" census efforts. And **fully one-third of this gain comes from "natural increase, or births minus deaths."** The remainder of the growth comes from net *migration* "both domestic – folks moving here from other parts of the state or the country – and international migration."

Here's how he calculates it to come up with a net increase of 110 on a daily average (realizing the actual growth numbers come in surges, not equally-spaced). Using rounded numbers, he takes **2/3s of 60,000**, which he says is 40,020, and **divides that by 365 – to get a yield of 109.6** "and I round that up to 110."

It should be pointed out that not only does the increase in population come in surges, it also **comes in unequal waves from Travis, Williamson, Hays, Bastrop and Caldwell counties.** But any way you calculate it, the growth is significant.

After a nationwide analysis of the 100 largest US metros, *Forbes* magazine, this week, once again – in fact, for the 4th year in a row – ranked the Austin metro as the fastest-growing in the nation. Other major Texas metros also ranked near the top.

Forbes used six metrics as it compiled its rankings, including estimated rates of population growth for 2013 and 2014, job growth for 2013 and gross metropolitan product growth for 2013. **Austin was cited for the highest population growth of all US regions in 2013.**

Other Texas metros that stood out on the national list included Dallas at 4th, Houston at 10th and San Antonio at 20th. Even though Dallas and Houston dropped a bit, don't think they lost their mojo. Raleigh NC moved up 2 slots to #2 and Phoenix jumped a whopping five slots to #3. It was their *strength* -- not Dallas and Houston *weakness* -- that shuffled those rankings.

Job growth in the Austin area is gaining more of an international flavor. Though it may seem like it, it's not just California companies setting up shop in the Austin metro. One of the latest software companies to pick Austin for more North American expansion is from Australia.

Atlassian (named after the Greek god Atlas) was founded in 2002 by two university students in Sydney. It is hitting the ground running, looking for permanent office space in downtown Austin and it says it plans to **hire about 40 workers by June to join 35 others who will be transferred from other offices.** (Okay, okay, there *is* a California connection. It already has a San Francisco operation, as well as other offices worldwide.) Atlassian said it could eventually have as many as 300 workers in Austin.

Atlassian was initially financed with \$10,000 of credit card debt and has been profitable every year since it was founded. It reported \$149 million in revenue the last fiscal year and now the company has 34,000 customers in 134 countries. The customer mix using its software products: from small startups to giants such as Coca Cola.

Another sign of international influence on a changing Austin: a foreign currency exchange booth at Barton Creek Mall, in addition to the airport. Is it because locals are traveling more internationally, or is it because there are more international visitors to the Austin area?

Don't know the answer to this question, but it's probably a combination of the two. Passenger travel records, as we have reported previously, are being set each month at Austin's airport. And **new international flights** have been announced (as an example, British Airways is inaugurating nonstop service between Austin and the United Kingdom). **Also events that attract international visitors, such as Formula One, SWSW, the X Games** will pack local hotels this year.

Previously, banks – and the airport – were the main places to exchange foreign currency. **Now an Austin retail hotspot is the site where foreign money can be exchanged for dollars and vice versa.** It is convenient for locals and visitors who shop, shop, shop wherever they travel.

The Mall presence is part of a worldwide operation under the banner of Travelex. The company originated in 1976 in London and now **trades in more than 80 currencies and in 24 countries.** It has more than 1,110 “stores,” is operating in countless airports worldwide (including Austin) and has more than 850 ATMs around the world, extending its reach to more than 100 countries and 20,000 locations. Travelex has **more than 200 stores in the US outside of airports,** including the store at Barton Creek Mall, 4 stores in Dallas and 2 in Houston.

Travelex is there to **make money on each transaction,** and as Austin's international reputation grows it will likely grow as well.

Travelers at Austin’s airport will soon be able to sip exceptional wines from around the world, or chow down on down home country cooking at two different concessions opening this spring.

Austin-Bergstrom International Airport (ABIA) operators brag about the award-winning concessions. Unlike many airports that feature common fast-food franchises on every concourse, **ABIA makes a point of featuring “hometown” concessions – such as Amy’s Ice Cream.** Two new offerings opening this spring will broaden the local options.

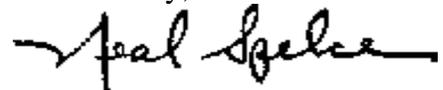
Hoover’s Cooking will feature **Southern Fried Chicken** with the best country sides, and fresh rotisserie chicken cooked onsite (the aroma alone will draw hungry travelers). Hoover’s breakfast menu includes Chicken and Waffles, as well as, **Hoe Cake Sausage Wraps.** **Hoover Alexander**, a 5th generation Texan, has provided Austin with Southern comfort soul food for more than 15 years. It will be located in the east food court, across from Gate 8.

On the other end of the spectrum, an innovative wine bar concept will also open this spring, situated between Gates 13 & 14. It’s called **Vino Volo** (Get it? **Vino Volo** – “wine flight” in Italian). The company CEO said “**discovering unique, often hard-to-find wines is our passion, and we look forward to introducing our guests to great global and local wine regions, including the nearby Hill Country.**” **Vino Volo** is promising a “relaxing, comfortable environment” where travelers can enjoy a great wine and a tasty bite.

This should be interesting. **Wonder how a “sophisticated” (“snooty?”) international visitor flying in on British Airways for Formula One will react to Southern Fried Chicken?** Oh well, they could always rinse-out the taste with a high-dollar glass of wine at **Vino Volo**. Or maybe, just maybe, southern comfort food might broaden their culinary horizons. And they might find one of the Hill Country wines to their liking.

Speaking of visitors, **Dr. Louis Overholster’s** definition of hospitality: making your guests feel like they’re at home even if you wish they were!

Sincerely,



Editor/Publisher