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Dear Client:

**Significant movement is underway under the radar for the record-setting Austin Mayoral/City Council elections this fall. The stakes are high.**

This is important because the way the City of Austin is governed will undergo a sea change. This could have profound implications for those who **do business with the city**, those whose **livelihood is governed by the City** and for those who simply live day-by-day, **driving city streets, drinking city water and using electricity**.

Some may think it is a bit early to get worked up about the November 4<sup>th</sup> election, still seven months away. Not really. **There is a lot of scurrying-around going on behind the scenes.** For instance, even though **candidates cannot begin raising money until May 8<sup>th</sup>**, those with ambitions to run are lining up support, such as **“when the time comes, can I count on you for a hundred bucks?”**

A number of hopefuls have already decided to run – and, in two publicly-announced cases in the race for mayor, *not* to run. So the situation is still fluid. **The final point-of-no-return decision-making timetable: candidates may file between July 21<sup>st</sup> and August 18<sup>th</sup>.**

The obvious reason for this “quiet” activity is that, for the **first time in Austin’s history, council candidates must live and run in 10 newly-created districts.** No longer will a 6-member council be elected citywide. **So there are more council seats available and the residency requirement means councilmembers will not live within a small radius, unlike now where all councilmembers live in close proximity to Central Austin.** Big difference.

Another important factor: the *municipal* election will take place on the same November 4<sup>th</sup> date as the *general* election. Statewide candidates, such as governor, will also be on the ballot. **This means there will be many more voters deciding on the council makeup than in the recent past** when council elections have been decided by a few, mostly activist, voters in the spring because no other offices were on the ballot.

Check out the next item to see the **racial and ethnic breakdown in the ten new districts** that were re-drawn to be balanced as mandated by the new governing law.

**Racial and ethnic balance, while important and mandated by law, are not the only factors in the new Austin City Council districts. Political clout also weighs heavily in the equation.**

Obviously race and ethnicity play a role of varying degrees when considering political clout in any election. But in Austin city elections, there is more to it than that. **Austin is widely recognized as one of the most liberal cities in a conservative state. This political leaning goes beyond the bounds of a racial and ethnic breakdown.** Let's examine both.

First, the ethnic and racial categories. **The official categories are White, Hispanic, African-American and Asian.** Recognizing Austin's population is growing daily, here is the way the ten districts were divided when they were officially adopted late last year, using the 2010 USCensus numbers. *Geographically*, Districts #'s 1,2,3,4 and 7 run roughly **East of IH35**, with #4 and #7 **straddling IH35 to the north**. Districts 5 and 8 are **Southwest**. District 9 is **Central**. District 10 is **Northwest** and District 6 is **Far Northwest**.

Population totals range from 27,440 for District 4, to 61,899 for District 10. The **population disparity occurred as a result of trying to maintain racial and ethnic balance, as well as, giving dominance to certain categories trying to assure one group could elect a councilmember reflecting that category.** For instance, the smallest District 4 is 59.2% Hispanic, while the largest District 10 is 86.2% White. Here's the breakdown (hopefully your eyes will not glaze over with so many numbers packed into a small space):

**District 1**, 47.1% White, 37.1% Hispanic, 29.7% African-American, 3.6% Asian.

**District 2**, 58.9% W, 62.8% H, 8.9% A-A, 1.6% A.

**District 3**, 60.4% W, 55.2% H, 8.7% A-A, 3.3% A.

**District 4**, 57.1% W, 59.2% H, 10.5% A-A, 3.5% A.

**District 5**, 81.2% W, 26.9% H, 4.1% A-A, 2.9% A.

**District 6**, 76.8% W, 13.8% H, 4.6% A-A, 12.0% A.

**District 7**, 73.7% W, 20.0% H, 7.5% A-A, 9.5% A.

**District 8**, 83.6% W, 16.1% H, 2.4% A-A, 7.7% A.

**District 9**, 78.1% W, 15.8% H, 3.5% A-A, 10.6% A.

**District 10**, 86.2% W, 8.7% H, 1.8% A-A, 8.2% A.

Besides the obvious strength in percentages that may weigh on voter preferences, **the question of political clout goes beyond race and ethnicity.** For instance, **District 9** is overwhelmingly White (78.1%) and traditionally **votes liberal**, while **District 10** is also overwhelmingly White (86.2%) but traditionally votes more **conservative**. There are other examples.

The final council makeup will depend upon the quality of candidates and their campaigns, as well as voter turnout. So it is too early to predict outcomes. However, one thing appears certain -- **there will be more diversity on the council (heavens, you might even get a Republican, though candidates will not be identified by party) and the clout of the Central City may be reduced as a result of the geographic distribution of the new councilmembers.**

**One downtown construction project is moving into another phase, but the disruption will continue on the same street – just up the block a bit.**

It's part of the "Great Streets Improvement Project." As construction wraps up on Colorado Street between 3rd and 7th Streets, **it will continue forward from 7th to 10th Streets.** About \$5.6 million will be spent to **reconstruct the street, sidewalk, curbs and gutters.**

Also included will be the **addition of trees, street lights, bicycle racks and traffic signals.** Want to know what it will look like when it is completed? Check out Colorado St. between 3rd and 7<sup>th</sup> Streets -- except for this: **four polished stainless steel sculptures.** One sculpture was installed *last* year, three others are due to be put in place *this* year between 3rd and 7th.

**It just keeps on keeping on. Same song, umpteenth verse. We're talking about Austin area increasing home sales and rising prices. And the trend shows no signs of slowing.**

Consider the latest tallies released by the Austin Board of Realtors. **The number of homes sold in February 2014 was 8.5% more than the same month last year. Median prices for those transactions were up almost 11% over the year before. And the pace of sales quickened appreciably.** Homes with a "For Sale" sign in the front yard sold an average 16 days faster than in February 2013. Do the math. The red hot momentum not only continues, but it is ratcheting up with each report.

**You can probably tick off several Austin neighborhoods you would say contain more wealthy residents than others. But can you name the Top Nine Wealthiest Neighborhoods in Austin? A geography professor did it for you, listing the nation's 1,000 wealthiest neighborhoods.**

Nine Austin neighborhoods containing 17,675 people in the 2010 USCensus were featured in the prof's list of 1,000. Here is the Austin nine, with mean household income in parentheses:

**West Lake Oaks-Bee Creek Terrace (\$388,436) ... Westlake-West Rim (\$328,206) ... Old West Austin (\$296,454) ... West Lake Highlands (\$293,816) ... Barton Creek (\$284,842) ... Austin Country Club-Green Park (\$273,108) ... Balcones Park-Mount Bonnell (\$257,494) ... Rob Roy West-Sky Forest (\$250,555) and Davenport Ranch-Westlake Highlands (\$250,540).**

There are a number of caveats that apply to the professor's list. First of all, though he just released this study, **he used 2010 data. And you know how fast Austin is growing.** The **income numbers are the mean average.** For perspective, Austin's richest neighborhood ranked 64<sup>th</sup> in the nation. So, this is a fun exercise, not up-to-date meaningful.

**At least 3 former US presidents will join the current president at the LBJ Presidential Library here in Austin in less than two weeks. It will fittingly underscore a similar Civil Rights event that occurred in Austin about 41 years ago when LBJ made his final public appearance.**

It was December 12th 1972 that former President **Lyndon B. Johnson** hosted a Civil Rights Symposium in the LBJ Library on the UT Austin campus. **Racial tensions were high and tempers flared. LBJ's heart problems were mounting.** (In fact, he popped a nitroglycerin tablet as he faced the tense crowd).

**LBJ soothed the angry civil rights activists, using the talents he demonstrated in 1964 as he guided the bill's passage through the US Congress before he signed the history-making Civil Rights Act.** This was his final public appearance before he died at the LBJ Ranch January 22<sup>nd</sup>, 1973.

Former presidents **Jimmy Carter, Bill Clinton** and **George W. Bush** will join President **Barack Obama** to pay tribute to LBJ at a Civil Rights Summit April 8th-10<sup>th</sup> in recognition of the 50<sup>th</sup> anniversary of the Civil Rights Act becoming law. The 3-day Summit will feature major civil rights leaders discussing the current status and future of civil rights in the US. And, fittingly, as the Summit also looks back at the US civil rights path, former president **Abraham Lincoln's stovepipe hat will be on display alongside LBJ's Stetson** -- symbolizing 150 years of the civil rights legacy in the US.

**The LBJ Library is an appropriate location for this 50<sup>th</sup> anniversary of the signing of the Civil Rights Act.** Yes, it could have been held in Washington DC, or in some unrelated large Austin hall to accommodate the anticipated sizable crowds. But as a president from the South, LBJ epitomized the US civil rights evolution. So, the LBJ Library is fitting in this regard.

As we draw on our judgment and experience to begin the 36<sup>th</sup> year writing this publication **Dr. Louis Overholster** keeps us grounded by reminding us of a **Will Rogers** quote: "good judgment comes from experience. And a lot of that comes from bad judgment!"

Sincerely,



Editor/Publisher