



Volume 38, Number 1

April 1, 2016

Dear Client:

Have you seen a Google driverless car being slowly test-driven on Austin streets? This is one of the few places you can spot them on public roads. Besides being covered with gadgets and gizmos, another way the Google driverless car is easy to differentiate from Austin's in-a-hurry drivers: the car waits 1.5 seconds when the light turns green, then it slowly moves forward. So, how do these cars *really* work on Austin's notoriously congested roadways?

First, this is a huge experiment. The effort is nowhere near complete, though amazing strides have been made. **Engineers constantly assess the car's performance in a variety of roadway conditions, with an eye toward improving the product.** Google says safety is paramount. In fact, the vehicle has a top speed of 25 mph (which means you probably won't spot one on the section of the Texas130 toll road that has a speed limit of 85 mph!)

It's all about software and sensors. Google says it is so sophisticated the engineers know within 10 centimeters the precise location of the driverless car. It can "anticipate" what other vehicles will do. Even assesses their speed. **It can identify pedestrians and "read" hand signals given by bicycle riders.**

It does all this with sensors that have a 360-degree field of "vision" all around the car. **Hey, what if a dog darts out in front of the car? No problem. What if a bicyclist or another vehicle runs a red light? It can also handle that situation.** The same holds true if an adjacent vehicle makes an unexpected move (however, we should note that driverless cars have been involved in a few accidents, mostly the fault of the driver in the other vehicle).

Yeah, but. **How about parking -- the bane of many drivers? Nope, parking hasn't been programmed yet.** Well, what if a glitch occurs in the software, can the passenger reach over and take control? That's not yet part of the design. In fact, Google driverless cars have no brake, steering wheel or accelerator. **Well, what about flooding conditions? And what about high winds? Both occur frequently in Austin. Sorry. Those conditions are still to be addressed.**

As we said, the driverless car still has a ways to go before you can run down to a local dealership and buy one. **But this effort is just another example of how the tech-centric aspect of Austin's economy distinguishes itself on the world stage.** Keep your eyes open. You may spot the next wave of the driving future moving, albeit slowly, on Austin streets.

The average tech worker in the Austin area makes almost \$100,000 a year. Average. Now you know why tech jobs are among the most desirable – both for those who are recruiting industry to Austin, and for job-seekers pouring into the Austin area daily. According to a national survey, the actual average tech salary in 2015 in Austin was \$98,672 a year. And at the current rate of increase it will soon pass \$100-grand, if it hasn't already.

Is it any wonder the most recent numbers show **Austin area's unemployment rate – for February 2015 – is a very positive 3.1%**. New jobs were created, and an even larger number of workers found employment, pushing the jobless gauge lower. To give you a perspective on the 5-county Austin metro's 3.1%, Texas checked in at 4.4%, while nationwide the unemployment percentage was 4.9%.

Speaking of stats, Texas Governor Greg Abbott wrote an in-your-face column for California's largest Silicon Valley newspaper, the *San Jose Mercury News*. He used Austin as a key element when he claimed "Texas is Tech Mecca of America." Here's some of what he wrote for tech-centric Silicon Valley readers.

"Tech jobs are flowing to Texas as businesses flee California's high taxes, burdensome regulations and unaffordable housing," noted the governor. He singled out Austin at the top of his commentary: **"During SXSW Interactive, Austin is the undisputed capital of digital and tech; it's also the nation's top city for tech job growth, creative job growth and startups year-round."** Strong recognition from Texas top state official.

But Abbott didn't stop there. Referencing what we have written about in the past, the governor rightly noted **"the tech boom goes beyond Austin's city limits. The entire state of Texas is transforming into the new tech mecca."** He went on to back up his claim with stats. Consider what he told California readers:

"Texas is the top high-tech exporting state, beating California for the third year in a row in 2015 ... Texas is No. 1 for **cloud, network support and data services jobs** ... Texas ranks second for **overall high-tech employment and high-tech firms** ... for **gaming and entertainment software jobs** ... for **engineering and electrical engineering doctorates awarded**." He went on and on, ticking off too many attributes to list here such as saying **"Texas is where the talent wants to be,"** citing lower costs of living, high quality of life, lower company operating costs, less government, lower taxes, etc.

Abbott closed by pointing out \$450 million is committed to **elevating university research programs** and \$90 million was added to the Texas Enterprise Fund, the largest **"deal closing" fund** of its kind. He could've said: Take that, California! But he showed restraint, instead he told his Silicon Valley readers **"Texas is wide open for business. I invite you to visit."**

The quality of Austin medical care from emergency responders if you have a heart attack, are involved in an accident or are otherwise seriously injured, is coming into question. And, the City Manager is in the cross hairs from a prominent civic observer who has been deeply involved with Austin's emergency response issues for decades. He likens the current situation to a canary in the gold mine for what might happen in the future.

Mike Levy is not your average activist with time on his hands to raise hell. **He is an Austin attorney who came up with a brilliant idea, *Texas Monthly* magazine, built it from the ground up as publisher over more than 3 decades, sold it and now continues his civic involvement with Austin issues, primarily those involved with public safety.** He is bright and speaks his mind. Those who know him pay attention to what he says, though he can often be abrasive. He is seriously concerned about the Austin/Travis County EMS (A/TCEMS), once considered to be one of the very best programs in the country.

The problem as he sees it: At the height of its quality reputation, A/TCEMS units were staffed by two paramedics. **A paramedic, IDed as Medic 2, requires at least two years of training to manage complex medical and trauma patients (approximately 1,400 hours).** But he says the City now has, on each EMS unit, one paramedic and one emergency medical technician (Medic 1). Okay so far?

Levy claims **Medic 1's require only a level of training just beyond an advanced Boy Scout first aid course (only about 120 hours), are hired as young as 19 with no prior experience,** and may be asked to drive EMS vehicles, with lights and sirens, only a few years after earning their driver license. Get the picture.

Levy, quoting Medic 2 paramedics, reminds you that these 911 ambulances are responding to real-life emergencies. **"We aren't talking about some inter-hospital transfer services. I'm talking about the ambulance that is rushing to help your family and friends when they are faced with medical emergencies."** Paramedics complete multiple clinical rotations in virtually every area of the hospital, whereas the Medic 1's only spend a couple of shifts in the ER.

Levy has been concerned all along that ambulances no longer have two top-trained personnel, but now, Levy says the paramedics are telling him the **lesser-trained and lesser-experienced EMT's are being shoe-horned into assuming a greater-role in overall patient care.**

With a greater role assumed by the lesser-qualified personnel, **Levy is concerned they don't possess the skill set required to identify the subtle medical developments that can indicate impending doom.** He points out the EMT's are not even trained in reading and analyzing some of the tools the ambulances carry, such as EKG's, to detect a change. As a result, many paramedics are resigning due to the stress (one committed suicide). Levy blames **Austin City Manager Marc Ott saying "If the city manager does not care about the lives of Austin's citizens, what the hell does he give a damn about?"** We told you he speaks his mind.

“Far North Austin has no soul.” What’s this? It’s the bold headline on an ad referring to North Austin (which includes Round Rock, Cedar Park, Leander and Georgetown) as a “Sea of Sameness.” It minces few words. But why run such an ad? Who is slamming this exploding part of Austin? It’s a business park located in Southeast Austin, MetCenter.

“If you’re looking for a remote, crushingly dull place with **excruciatingly bland budget subdivisions surrounded by the same soulless national retail chains and franchise restaurants as anywhere else**, welcome to far north Austin,” the ad began. “In short, a godforsaken sea of sameness.”

The attack ad has these words affixed to a far North Austin map: same-looking condos/duplexes, identical apartments, same dull neighbors, white flight landing zone, same ugly strip center, **same franchise restaurants, same big box stores, more of the same fast-food chains**, fried things, similar bad mall ... you get the picture. The map has an arrow, pointing south to Austin.

A map of Central Austin is referred to as the cool zone. Some of the descriptive words in this map: **party time, techies, hipsters, tortilla canyon, artsy zone, food, music**, comfy, health and wealth, liberals, old wealth, ancient wealth, conservative wealth, strangely cool country, shopping, UT, hyper cool, etc.

The sales pitch in the ad says **“Work at MetCenter and avoid the skanky boonies.”** The reader is asked to call Zydeco Development or check out MetCenter’s website, while pointing to its logo on the map with the legend “Work Here in Soulful Central Austin.” **Interestingly, nowhere in this ad about “place” is a physical address for MetCenter.**

This week’s newsletter is labelled at the top as Volume 38, Number 1 – signifying this is the first issue as we begin our 38th year of publication. We thank you for the opportunity to share insights, perspective and analysis with you during a most dynamic economic era in Austin.

Dr. Louis Overholster’s reason to go to funerals of others: “Otherwise they won’t go to yours!”

Sincerely,



Editor/Publisher