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Dear Client:

**Architect Larry Speck has a major role in shaping downtown Austin. He's a principal at one of Austin's major architectural firms as well as a UT Austin professor. And he lives downtown. He has a perspective on what made downtown the success it is today and he also has a couple of major criticisms that affect those who have chosen the downtown lifestyle. His views are worth consideration.**

He cites three factors that have come together to create Austin's vibrant downtown. **First of all, he credits leadership, specifically singling out Austin's mayor from 1997 to 2001, now State Senator Kirk Watson, for "starting" the urbanization of downtown.** (Minor quibble: yes, then-Mayor Watson did play a major role, but former Mayor **Lee Cooke**, prior to Watson, started the impetus for the focus on "re-making" downtown. End of quibble). And Speck also credits other pro-business leaders for prioritizing the resurgence of downtown Austin.

Two other factors were important, according to Speck: 1) an **influx of residents** who were nothing like set-in-their-ways suburbanites and who embraced the Austin way, and 2) the rare feat of nature that is called **Lady Bird Lake** (formerly Town Lake) with stable water levels and the **green spaces** that abound in the area.

But he told *Bisnow* about a problem that he isn't sure city government has the will to solve: **sound -- sound from all the venues downtown** that support the city's slogan as the Live Music Capital of the World. **He says this isn't exactly friendly to residents trying to sleep at 2 am.** Speck thinks that if the city wants to attract and retain families (or anyone, really) **sound disturbance must be mitigated.**

He also suggests his fellow architects need to work on **connecting various hotspots ... so that buildings relate to everything else around them.** He sees the end goal as a downtown that "connected" to the Second Street District, Rainey Street, the Austin Convention Center, even North Lamar Blvd and surrounding neighborhoods. (Associated mobility/parking is a topic for later discussion.)

Speck is involved in making some of this happen, through projects at his architectural firm, **Page.** For instance, the **Dell Medical School** is one example and the effort to **restore the old (really old) downtown Austin Post Office** on the block bounded by West 7<sup>th</sup>, Colorado, West 6<sup>th</sup> and Lavaca Streets is another.

**More than 4,000 patents were awarded to Austin area inventors in 2016. This is important for several reasons. First of all it is significantly higher, 11.2%, than the previous year. And the 2016 total represents more than 30% of all patents granted to inventors throughout Texas. This is indicative of a robust economy and it reinforces Austin's reputation for innovation.**

Patent activity is a primary indicator of Austin's climate for innovation, reports the Austin Chamber's VP/Research **Beverly Kerr**. She says this is **"key to the region's ability to sustain its competitive edge.** Austin's economic growth, exports and job creation are uncommonly dependent on the concentration of high tech industries in our economy."

Okay, so Austin is doing well leading Texas cities. **But what about Austin compared to other vigorous cities around the US?** As you might expect, the bigger metros such as San Francisco, New York and Los Angeles were awarded more patents. And the cities where tech activity is concentrated, such as San Jose, Seattle and Boston also rank in the Top Ten, while **Austin tops out at #11 in patents awarded between 2005 and 2015.**

**But when you break it down on patents per 10,000 population, this is where Austin shines.** Still ranking behind #1 San Jose (which has by far the best figures) and San Francisco at #2, **Austin comes in at #3 in the US.** And the bigger metros such as Los Angeles (#13) and New York (#22) are way back in the pack.

Where do these Austin inventors work? **Which private companies are the most aggressive and focus on cutting edge research?** Check out the tally of the top private Austin companies for patents awarded from 2011-2015:

**IBM, by all estimates, is the Big Kahuna!** No other company comes even close. According to the US Patent Office, **3,495 patents were generated by IBMers.** Second place went to **Dell Technologies** with 1,002 patents. #3 **Freescale** was next with 904, followed by #4 **AT&T** with 820.

Following the Big Four, there is a considerable drop – but some really big names are still cranking out impressive numbers. Consider: **Silicon Laboratories, 311 ... National Instruments, 274 ... Advanced Micro Devices, 221 ... VIA Technologies, 171 ... Cirrus Logic, 156 ... Apple, 137 and Intel, 134.**

What is it about IBM? IBM has long been a major Austin patent producer. Kerr reports that **"Austin has in the past been reported to garner more IBM patents than any IBM site but Yorktown Heights, the company's largest research lab."**

**IBM is consistently the largest patenting organization in Austin.** The only exception is the year 2000 when Advanced Micro Devices had a greater total. And, significantly, IBM Austin continues to garner more than San Jose, the other major US lab location.

**Much has been made of recent comments by California governor Jerry Brown that his state is outpacing Texas. And, by some narrow definitions, he has a point. But, with Texas and most of the rest of the nation, trending to the right (check the November election results), California is moving further left. What impact will that have on recent history that shows Texas (and Austin) benefitting from the exodus of jobs, companies and people from California?**

California-based urban expert **Joel Kotkin** has been tracking these changes. And, he says “rather than adjust to changing conditions, the state seems to be determined to go it alone as a bastion of progressivism.” And he cites **two issues that are dominating California’s policy agenda -- climate change and immigration** – as examples of going to extremes not seen across the US. Kotkin says these emphases are raising costs for Californians and forcing jobs to other locations such as Texas and Austin. How serious is this approach? Kotkin’s reasoning:

**“Most of the big cities – Los Angeles, San Jose, San Francisco, Oakland and Sacramento – have proclaimed themselves ‘sanctuary cities’ and the state legislative leadership is now preparing a measure that would create ‘a wall of justice’ against Trump’s agenda.”**

**“Equally contentious will be a concerted attempt to block Trump’s climate change agenda.** Ironically, the state’s policies, which place strong controls on development, road construction, and energy production/usage, are somewhat symbolic; by dint largely of its mild climate, the state is already far more energy efficient than the rest of the country.”

Kotkin feels the results of these policies will severely damage California – suggesting the state would **lose at least 100,000 jobs**, further **boost energy prices** and cost California households an average of \$3,000 annually. He said all this **“could provide a boon to other states, notably Texas, Arizona and Nevada, which make a sport of hunting down California employers.”**

Is this progressivism seen in other states? Kotkin’s response: **“Illinois, president Obama’s home state, is a model for nothing so much as larceny and corruption. New York, the traditional bailiwick of the progressive over-class, is similarly too corrupt.** In addition, both of these states are losing population.”

Kotkin even singled out Austin, after acknowledging California’s current economic resurgence. **“If you go back to 2000, metro areas such as Austin, Dallas, Houston, Orlando, Salt Lake City and Phoenix – all in lower-tax, regulation-light states – have expanded their employment by twice or more than in Los Angeles.”**

When all is said and done, **California appears to be doubling-down on the aspects that have accrued to Austin’s and Texas’s economic benefit** – at a time when the nation appears to be moving in the opposite direction. It will be interesting to track all this in the years ahead.

**Looking ahead a couple of months: Beware the Ides of March -- or in fact most of March. This is the month when special events and school holidays heavily impact the schedules and travel planning of many Austinites. So, “be aware.”**

While many Austin families *flee* the city as UTAustin and area School Districts take Spring Break, many more “outsiders” from around the world *flood* the city for special events. The two biggies: **SouthBySouthwest (SXSW) and the World Golf Championships**. For your calendar, here are a few of the details:

SXSW overlaps most of the various Spring Breaks, running from **Friday March 10<sup>th</sup> through Sunday March 19<sup>th</sup>**. Two weekends are included, not to mention the **raucous St. Patrick’s Day on the 17<sup>th</sup>**, as if another excuse for festivities is needed. Downtown is designated Ground Zero for SXSW.

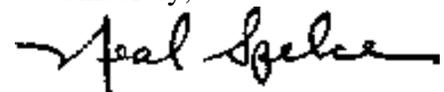
The more sedate event for bringing in worldwide visitors follows quickly. **Wednesday March 22<sup>nd</sup> through Sunday March 26<sup>th</sup>** are the golf tournament days for the **Dell Technologies Match Play World Golf Championships** at the Austin Country Club. Featuring the best pro golfers in the world, the event is already a record sellout. West Austin will be most impacted.

This leaves only one weekend in March without a special event **impacting your ability to move around Austin, book a flight, make a restaurant reservation, etc.** Well, except that one weekend not booked for a biggie *does* include a UTAustin basketball game Saturday March 4<sup>th</sup> when highly-rated Baylor comes to town.

Of course, all of this will be occurring in the midst of **major construction that is always ongoing in downtown Austin, roadway construction all around the area and the normal traffic congestion**. Plan accordingly. Just sayin’.

**Dr. Louis Overholster** likes to be reminded of upcoming events because he has a photographic memory that was never fully developed (groannn ...)!

Sincerely,



Editor/Publisher