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Dear Client:

Wanna buy a Tesla? The luxury status-symbol electric car for the environmentally-conscious? Just hop on down to the dealership on Austin's Motor Mile, pick color/make/model, and drive it home. Hold on. You can't do that -- anywhere in Texas. So Tesla is making a big push the next couple of months to be allowed to do that. The odds are against it happening.

Sure, you already see a wide array of high-priced Teslas on city streets, especially in the high-dollar parts of Austin. How do Austinites buy a Tesla? **Just drop by the Tesla Gallery and drool all over the shiny models on display. But they are there just for show-and-tell.** Want to buy one?

They'll let you deal directly with the manufacturer in California, who will give you details on how to buy it. (By the way, Tesla does not offer factory financing.) They then deliver the car to you later. Texas law keeps Austin Tesla Gallery employees from selling the car to you.

You see, **Tesla is a manufacturer that sells directly to the consumer.** No middleman. It doesn't have franchise *dealerships* like every other car factory in the US. **Texas car dealers and the manufacturers don't want Tesla to open up shop where it can sell directly to the car buyer.** And lemme tell you, Texas franchised car dealers along with their manufacturers are a very powerful group.

How powerful is the opposition? This isn't Tesla's first rodeo trying to get a favorable measure passed by the Texas Legislature. It started an effort in 2013. Then, even after Tesla doubled its lobby team the last session two years ago, **the House bill never got a committee vote, much less a vote involving all House members. And, the Senate never gave its companion bill a hearing.**

Credit the **Texas Automobile Dealers Association** lobbying efforts against Tesla. The governor, by the way, was quoted as saying the current set-up seems to be working quite well the way it is.

What now? Two bills – rewritten from the way they were worded in the last session – have been introduced, one in the House, the other in the Senate. The lobbying on both sides is underway in earnest. **The outcome this time? Just one fact alone – local car dealerships in each Texas legislator's home district – makes California-based Tesla's odds a long shot.**

As is sometimes the case, job statistics are later revised. In Austin's case, amid recent reports of a slowing job market, the numbers have just been improved markedly. Not only did they show a dramatically better picture, the revisions made Austin the nation's 5th fastest growing major metro. This is a significant change for the better.

These revisions are as official as official can get. This week, Austin Chamber's VP/Research **Beverly Kerr** analyzed the revised Austin area payroll job numbers reported by the Texas Workforce Commission and the US Bureau of Labor Statistics. Here's her tally:

The Austin area **added 34,000 net new jobs** in the 12 months ending in January 2017. This is an **impressive growth of 3.5%**, placing Austin as the **5th fastest growing metro** among the 50 largest US metros.

Dallas (4.3%) ranked 2nd ... **Fort Worth** (3.0%) ranked 12th ... **San Antonio** (2.6%) ranked 20th ... and **Houston** (0.3%) ranked 48th.

The unemployment rate didn't change much. **But, it was still impressive when you consider the amazingly robust job growth rate.** Its actual total was 3.4% in December, compared to 3.2% a year ago.

This is important because for the past few months, the Austin economic story has been one of *moderating* rate of growth, based on numbers now proven to be inaccurate. **"Revisions have indeed shown that Austin's growth was more robust in 2016 than preliminary estimates indicated,"** Kerr pointed out.

The question now: **how long it will take for these positive changes to be picked up where it counts** via business media, companies pondering location change, Austin metro businesses considering expansion, developers looking at investments in Austin, etc.? **At least the record is now straight** – albeit after a few months of downer news.

Speaking of Austin's reputation, many would tell you the city is considered young, vibrant, innovative, etc. And, the stories going out worldwide (yes, *worldwide*) from Austin's just-ending South by Southwest (SXSW) event certainly reinforce that perception. Not as well-known, though, is how the Austin area's population is growing older as we speak.

What is the median age of the Austin metro? It has now edged past 34. Sure, waves of millennials are arriving in the area daily, but so are **baby boomers and seniors**. And, many who've been here awhile are **aging in place**. (Remember, when you see "metro area" stats, this covers Travis, Williamson, Hays, Bastrop and Caldwell counties.) Don't get me wrong. **You're not gonna wake up in the morning and see a huge increase in gray hair. It's a gradual process.** But it *is* happening. And it shows no signs of slowing.

Did you know Austin's Better Business Bureau is now the largest BBB in North America? True. What started out as a one-city BBB years ago now serves more than 10 million people across 105 Texas counties. Its official name is "BBB serving Central, Coastal, Southwest Texas and the Permian Basin." Quite a success story.

It is an organization with volunteer leadership. **But the success can be attributed to the paid President/CEO, Carrie A. Hurt.** She has provided the vision and guided the volunteers through a period of phenomenal growth and service, while increasing BBB's strong financial position to ensure long-term stability.

The BBB is a self-policing organization that sets standards for business behavior, investigating consumer complaints. As an example, the top "most complained about categories" last year were Auto Dealers - New Cars (1,035 complaints), Insurance Companies (830), Apartments (666) and Roofing Contractors (624). It rates its members and handles inquiries about them.

Speaking of businesses, ride-hailing companies Uber and Lyft are on track to begin serving the Austin area later this year. They quit serving the Austin area after lengthy City Council battles over regulations and a lop-sided defeat at the ballot box. As we foretold months ago, the Texas Legislature is poised to establish statewide regs, pre-empting the City Council.

Uber and Lyft say they can live with any of the three ride-sharing bills moving through the legislative process. Statewide regulation would not be unique to Texas. Just the opposite. Right now, **28 states have statewide ride-hailing laws that effectively pre-empt local regs.** When is this likely to happen? The legislature should pass its regs before adjourning May 29, 2017, and depending upon the wording, they could **take effect no later than this fall.**

Okay, the Texas Legislature has now started meddling when they oughta be passing real laws. (I know, I know you're asking when *haven't* they meddled? Such as introducing a bill fining men \$100 for sexually pleasuring themselves.) But we're talking *serious* meddling here. They're tampering with chili as the Official Dish of Texas – an honor held since 1977. (Let's don't even get started about putting beans in chili; that's a Communist plot!) As much as we love breakfast tacos, now there is a move to elevate the taco to official Texas status.

C'mon. **Tacos are not Texan**, even though they're found all around the Lone Star State. In fact, that's one of the problems, tacos are ubiquitous. You can find tacos anywhere. But if the chili-haters get their way at the Legislature, surely **True Texans can mount a move to make *barbecue* an official "something."** Good Texas barbecue is an art form. Texans go out of the way to grab some mouth-watering brisket or ribs. Memo to the legislature: don't mess with chili. But if you must, give barbecue its due.

In a long-pending case, Texas Attorney General Ken Paxton is set to be tried for securities fraud May 1. But it could be delayed by the prosecutors. Not by Paxton's lawyers? Nope. It seems the special prosecutors seeking to convict Paxton haven't been paid to "adequately prepare to try this case on behalf of the citizens of the State of Texas." So they want to delay the trial until the county pays them.

Legal wrangling appears to be a hallmark of this high-profile case. **Paxton is accused of misleading investors before he was elected Attorney General. He recently beat a *federal* civil case involving similar charges.** However, *state* charges – that carry a prison term of up to 99 years – are still hanging in Collin County.

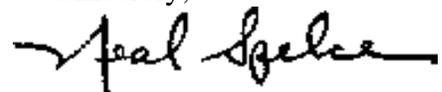
Let's not dive into the legal minutiae except to say another suit, arguing excessive taxpayer money is going toward the case, was filed against the prosecutors and Collin County. So an **Appeals Court blocked payment to the prosecutors until this new suit was settled.** See what we mean by legal wrangling.

The prosecutors, appointed by the county in 2015, are upset saying "**everyone in the courtroom is being paid to be there except us.**" So they want to quit work (a delay) until they are paid. **They claim the suit was filed by a Paxton buddy to ultimately derail the prosecution by defunding it.** And of course Paxton's lawyers jumped right into a war of words saying about the delay request "**the truth is that the special prosecutors know their case is crumbling ... and see the handwriting on the wall.**"

You get the drift. There's more legal finagling going on. If the past is any indication, **the lawsuit will drag out some more. Meantime, Paxton continues as the state Attorney General.** And, while the prosecutors are whining about not getting paid, you can bet Paxton's legal team is billing the big bucks.

On this Irish St. Patrick's Day observance that features heavy drinking, **Dr. Louis O'verholster** won't do what he did last year: he took a bus home – even though he's never driven a bus before.

Sincerely,



Editor/Publisher