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Dear Client:

**After a big brouhaha over quietly acquiring 300-plus acres of prime Houston property in 2015, the UTSysystem backed down in March and said it would no longer try to develop a university campus on land near the Texas Medical Center. The UTSysystem still owns the land. Now what? Various Houston entities are eyeing this valuable piece of dirt. And one of the possibilities involves the UTSysystem.**

First of all, no decisions have been announced publicly. But recently, the mayor of Houston **Sylvester Turner** joined by the Chair of the University of Houston Board of Regents **Tilman Fertitta**, endorsed the idea of a Data Science Institute on the property.

(FYI, Fertitta was one of the loudest voices decrying the UTSysystem's "encroachment on UH's territory." UTSysystem chancellor **Bill McRaven** was roundly criticized for not checking with state officials, including Houston's leaders and legislators.)

The participants in this enterprise are proposing to include **UH, Rice University, Texas Southern University, Texas A&M and the UTSysystem**. To be clear, this isn't the first time this Institute idea was floated. But it's gained a bit more credibility now that the Mayor and the UH Regent Chair jumped out front.

Earlier this year, backers claimed the Institute would, according to the *Houston Chronicle*, "**bolster Houston's energy and health sectors, envisioning collaboration with industry and national laboratories**. Proponents said the Institute's work could lead to a more efficient and sustainable energy distribution, and smarter health care delivery."

If realized, it would be a big deal for Houston. Fertitta, after his earlier opposition to working with the UTSysystem, said he now would have no problem participating in the Institute if the other universities were involved. **But at this point, there has been no comment from any of the other universities, including the UTSysystem.**

**The Institute proposal has so many moving parts it could fall apart at any point.** And if it does move forward, the governor and key Houston legislators would have to approve. Also, as one observer put it: if UH or the UTSysystem balk, it would never get off the ground.

**Another milestone in the development of UT Austin's Dell Medical School will be marked in about 10 days: the Dell Seton Medical Center at The University of Texas will open its doors to patients May 21, 2017. This effectively replaces the venerable Brackenridge Hospital that has been a part of Austin's healthcare history for decades.**

Just a few blocks away from the aged Brackenridge on the new DellMed campus, **the new facility will provide world-class trauma care and specialty care**, led by doctors on the faculty of DellMed. It will also be a teaching hospital for students from DellMed.

**Past national rankings have, for years, cited Austin's entrepreneurial spirit and activity. The numbers have now been released to put meat on those bones: Austin has been named first among the top 40 US metros for entrepreneurial activity and startup density.**

This declaration is part of **one of 2016's most important business climate rankings**, the Kauffman Foundation's Startup Activity Index. "The contributions that Kauffman Foundation researchers have made to developing rigorous measures of entrepreneurial ecosystem vitality are **highly regarded**," noted the Austin Chamber's VP/Research **Beverly Kerr**.

So what are the numbers? According to newly-released numbers from the USCensus Bureau, **new businesses formed in the Austin metro reached a peak high of 3,469 in 2014**. This exceeded 2013's tally by 3.0%. This compares quite favorably with numbers and percentages nationally, according to Kauffman.

But this isn't all. Kauffman analyzed this from another perspective – **startup density**. In other words, the amount of new businesses formed per 100,000 population. **By this measure, Austin's impressive rate is 141% of the national rate**. And it ranks 5<sup>th</sup> among the 50 largest metros.

Turning the focus to another measure: historical. **Austin's number of new firms grew each of the last five years**. And 2012, 2013 and 2014 exceed Austin's previous peak of 3,295 back in 2008.

Yeah, but. While this is the most recent available data, hard numbers are for 2014. This is 2017. **What can we expect the data to show for the last couple of years?** No crystal ball is available. But a word of caution was issued by Kerr and the Kauffman Foundation.

"While Austin outperforms nearly all metro economies, it is **not isolated from the long-term downward trend in the business formation rate** seen nationally over the last few decades."

As always, you need to keep an eye on what is happening outside Austin and Texas borders.

**Here's a quick update to clear up what could be a bit of confusion – as the City Council begins public discussion about expansion of the Austin Convention Center. The city outfit charged with promoting business and tourism travel to Austin is the Austin Convention and Visitors Bureau (ACVB). It's not going away, but it will be called something else.**

Hopping on a trend that is spreading nationwide, **the ACVB will now refer to itself as simply "Visit Austin."** The hope is that it will be more Search Engine friendly and the two words capture succinctly what the travel and convention business is all about. So as the convention center expansion heats up, **keep in mind "ACVB" and "Visit Austin" are one and the same.**

**Austin Mayor Steve Adler has been quite visible recently, testifying before legislative committees, holding news conferences, responding to interview requests, etc. On two nationally-important fronts. First of all, he has been very vocal, and unequivocal, in his opposition to the Sanctuary Cities bill signed into law this week by the governor, which was largely aimed at Austin. Secondly, he's spoken out against repealing Obamacare.**

What does he say about his activity representing Austin on these topics? **"I was elected by the people of Austin and I will continue to speak on their behalf. I'm proud of what we're doing. And, again, the rest of the world can be losing its mind but we're still Austin, Texas."**

**Don't write off Texas Supreme Court Justice Don Willett as a presidential judicial appointee. He was on a list of 21 potential appointees to the USSupreme Court when Neil Gorsuch was selected. It's likely Willett will still be considered for a high appellate court position.**

**A few weeks ago, we and others reported Matthew Dowd, Austin area political commentator/consultant, was considering challenging Texas USSenator Ted Cruz when he comes up for re-election next year. Well, this week, he said he's not gonna do it. Here is how he explained it in an interview:**

**"I think the best use of my most authentic voice and where my life is and what I want to do is in a different manner rather than running for office."** Let's translate that political-speak:

**"Hey, I like my life now, I make a good living as a national commentator on politics and I live in the bucolic Texas Hill Country. Why would I want to go through the meat grinder of a political campaign, begging for boatloads of money? Huh? Huh? And what if I win? Then I have to live in Washington and get caught up in that partisan, mudslinging life. Not for me."** End of translation. You're welcome.

**As newspapers struggle nationwide, a local success story is gaining ground, as well as nationwide attention. Austin-based *Community Impact* newspaper has now joined with Austin’s online, non-profit success, *The Texas Tribune*, to add content. In addition the two news organizations will jointly stage a single event this fall for the business community.**

Despite the ongoing cuts by many newspapers, particularly in the newsroom, the partnership was part of *Community Impact*’s intentions to grow – not downsize, reported the national newsmagazine trade publication, *Editor&Publisher (E&P)*. You’ll recall we recently told you *Community Impact* built a \$10 million press next to its headquarters in the Austin area. It not only now distributes copies to 1.7 million people, but over the last six months, *Community Impact* has seen its page views and online audience triple.

This is an intriguing marriage. *Community Impact* has expanded outside Austin to where it now boasts of **22 hyperlocal newspapers across more than 34 communities**. *Texas Tribune*’s editor-in-chief was quoted as saying: “I’m absolutely thrilled for the opportunity to **spread the *Tribune* brand far and wide by way of *Community Impact*’s incredible reach and readership.**”

*Community Impact* will add the daily reports from *The Texas Tribune*’s coverage of **state-level content in areas such as environment, health and transportation to its local coverage of such issues.**

“We aren’t doing this partnership because we are shrinking,” **David Arkin**, *Community Impact*’s chief content officer told *E&P*. “It’s actually the opposite. We are a successful and profitable business not looking for the next opportunity to cut costs. **We’re looking to invest and are seeking smart opportunities and partnerships. If other newspapers seek partnerships, they should do it because the content is truly adding value.**”

**Dr. Louis Overholster** believes one reason why newspapers should not die is because the light relief their headline writers often provide – such as this actual headline: “17 Remain Dead in Morgue Shooting Spree.”

Sincerely,



Editor/Publisher