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Dear Client:

You probably haven't heard much – if anything – about this. But a former Texas Agriculture Commissioner and Austinite, Democrat Jim Hightower, is deeply involved in a nascent effort to push his political party more to the left. They are calling it a “revolution.” They are organizing to take control from the current Democratic Party machine. Nationally it is called “Our Revolution.” Locally it is called “Our Revolution Texas.”

The Democrats have been loudly challenging GOP President **Donald Trump**. And that daily drumbeat has drowned out a *quiet* battle going on *inside* their party, with Texas at the forefront. **“Our Revolution Texas is in the process of creating the infrastructure to challenge the established state party,”** notes **Theo Anderson**, in the far-left publication *In These Times*.

How do these **Bernie Sanders backers** plan to do that? **Our Revolution Texas has divided the state into 11 regions**, and the regional chapters will recruit and train candidates to run in local, state and congressional elections next year. It is encouraging progressives to become Democratic precinct chairs, saying the party is so hollowed out in Texas that taking it over is mainly a matter of showing up.

As Hightower puts it: **“In probably half of the precincts in Texas, there's no precinct chair. So we're going to fill as many of those as we can.”** The precinct chairs elect the county chairs, who in turn choose the state party chair. He claims corporations have too much control of the Texas Democratic Party. **“If you're taking that corporate check,”** says Hightower, **“you're not pushing a \$15 minimum wage; you're not pushing Medicare for all; you're not pushing for free higher education. You're going along with the corporate agenda.”**

It's being called the most serious fissure in the Dem Party since the Vietnam War in 1968. Various left-leaning groups are becoming part of Our Revolution. **In January, Texas became the national organization's first state affiliate. The group now claims Dem Party chairs in Colorado, Nebraska, Washington and Wyoming.** It says it is now targeting at least 15 more, including Texas, to organize progressives to fill county/state party offices.

In the 2014 congressional election, Texas had the 3rd lowest voter turnout – just 28%. Hightower says **“It's not that Democrats turned right-wing. They quit voting.** If they hear candidates and political organizations talking about the things they care about, they'll respond.”

When Gov. Greg Abbott claimed recently he would not allow Austin to “Californiaize” Texas, it generated a lot of comment. But not many realize the extent to which California is creating a new kind of socialism that could, according to one urban expert, turn “most Californians into either tax slaves or dependent serfs.” Strong words. Here’s what he meant by that.

The executive director of the Houston-based Center for Opportunity Urbanism (at the same time, a resident of California) **Joel Kotkin** says **“California’s progressive regime of severe land-use controls has helped to make the state among the most unaffordable in the nation, driving homeownership rates to the lowest levels since the 1940s.”** But this is only one example he uses to bolster his prediction.

“There is some irony in a new kind of socialism blessed by some of the world’s richest people,” Kotkin wrote this week. “The new policy framework is driven, in large part, **by a desire to assume world leadership on climate-related issues. The biggest losers will be manufacturing, energy and homebuilding workers, who will see their jobs headed to other states and countries.**”

“Under the new socialism, **expect more controls over the agribusiness sector, notably the cattle industry ... which will be punished for its cows’ flatulence. Bay area officials and environmental activists are even proposing a campaign to promote meatless meals. Limits on building in the periphery of cities also threaten future growth in construction employment,**” warned Kotkin.

“The oligarchs of the Bay Area have a problem: **They must square their progressive worldview with their enormous wealth. They certainly are not socialists in the traditional sense. They embrace massive inequality as both a given and a logical outcome of the new economy.**” So, Kotkin, how will this play out?

He pointed out that Facebook zillionaire **Mark Zuckerberg** favors **“an income stipend that could prevent mass homelessness and malnutrition”** expanding the welfare state. Kotkin also suggests California taxpayers will have to **“fork over an estimated \$50 billion to \$100 billion a year” to pay for a single-payer health care system,** because the State Senate included the “undocumented, essentially inviting the poor to bring their sick relatives here.”

Kotkin, also a California college professor in Urban Futures, wrote that “in the end, we are witnessing the **continuation of an evolving class war, pitting the oligarchs and their political allies against the state’s diminished middle and working classes.** It might work, politically, as the California electorate itself becomes more dependent on government largesse, but it’s hard to see how the state makes ends meet in the longer run without confiscating the billions now held by the ruling tech oligarchs.”

It’s easy to understand why the conservative Texas governor is not enamored of California.

Have you heard about the City of Austin’s transportation project it calls the “Big Jump?”

According to the city’s Austin Transportation Department (ATD), Austin will work with PeopleforBikes to achieve a “big jump” in the number of people traveling by bicycle in the city’s central core. The goal: **“to double bicycle ridership in three years in Central Austin and make travel by bicycle an even more viable transportation option.”**

Speaking of city money, the “vultures” continue circling around the burgeoning Hotel Occupancy Tax (HOT). This is the tax levied on those who check out of a hotel located in Austin. By state law, HOT revenue is limited to a narrow set of tourism-related projects.

And there’s the rub. What is a tourism-related use of the funds? For instance, using HOT revenue to **pay for an architectural contract to renovate the Zilker Metro-Barton Springs Bathhouse?** This idea was nixed this week. But it illustrates the dilemma.

This is all under discussion – especially since a major push is underway to use most of the **funds to finance expansion of the Austin Convention Center.** This is a big deal. Stay tuned.

Speaking of the City of Austin, what’s the status of the months-long (so far) search for a permanent City Manager to run the city, as well as, three major enterprises: the airport, the electric utility and a water utility? To be blunt, the City doesn’t know what its looking for in a City Manager at this point.

In fact, it is waiting for a report from the public and City Council members on the **ideal profile for the next City Manager. That report is due July 19, 2017.** Under Austin’s Council-Manager form of government, the Mayor/Council acts as a board of directors setting policy and the City Manager is, in effect, the CEO running the city operations.

Remember the announcement a couple of years ago that tech giant Oracle was coming to Austin, and a 25-acre campus was part of the deal. So, what’s the status of this major tech opportunity that should have a major economic impact in Austin? Glad you asked.

Bisnow reports Oracle has inked “what will likely be the biggest office lease in Austin in 2017.” The landlord is Oracle Corp. The tenant is Oracle. Oracle bought the site over six transactions from Cypress Real Estate Advisors. About Oracle, Bisnow said **“the cloud services provider has been tight-lipped about the 550,000 sq.ft. campus that is the fourth largest development under construction in Austin.”**

More news about Gov. Greg Abbott's comment on not letting Austin Californiaize Texas (see our June 9 edition). Abbott's olfactory observation in regard to Austin triggered a satirical response from former Austin Mayor Kirk Watson, who is now a Texas State Senator.

Abbott's words: **"Once you cross the Travis County line, it starts smelling different.** And you know what that fragrance is? It's the smell of freedom that does not exist in Austin, Texas." Watson just couldn't resist the opportunity. Check out some of his stingers:

"Without question, there's a distinct odor coming from Congress Avenue from time to time. It's pungent, plentiful and unique to the Capital City. But let's blame that aroma on the bat guano under the Ann Richards Congress Avenue Bridge. We'll ignore the, uh, bull guano from a little farther north.

"Austin provides economic stability even when the volatility of the oil and gas industry is roiling other parts of the state. Take a deep breath and breathe in the sweet smell of success."

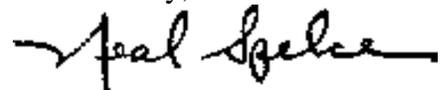
Referring to the "Robin Hood" program that requires Austin-area school districts to send money to other school districts, Watson said **"I smell something that stinks, but it's not Austin. It's the rotting Texas school finance system."**

"Traffic is a beast. Trying to navigate the rancid rush hour traffic on I-35 ... oh, wait, that interstate road should be primarily the state's obligation. I smell a rat, but the stench is coming from the state's neglect and refusal to find new funds to keep up with Texas' infrastructure needs."

Watson closed by saying "if some folks don't recognize the **fragrant smell of enjoyment, achievement and the committed desire to work and make greater progress**, they should at least respect those that do."

Speaking of verbal barbs, **Dr. Louis Overholster** said a friend had delusions of adequacy!

Sincerely,



Editor/Publisher