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Dear Client:

**The President of the Austin Chamber of Commerce Mike Rollins published an article titled “Here’s how your city can become the next Austin, Texas” in a major Washington-based publication. What gives? Is he giving away “secrets?” Nope. It was a clever ploy to do a little bragging and to lobby for additional resources for Austin.**

An Austin area delegation of business and civic leaders descended upon Washington DC, shortly after titans of Silicon Valley met at the White House. Rollins said they wanted to “share a **five-point agenda we believe will create and strengthen more regions like ours.**” And, as a Chamber exec should do, he extolled Austin’s successes: “**We have added more new jobs – 350,000 in 12 years – as a percentage of our labor market than any major US metro.**”

But he did more, much more, than that. He suggested ways Austin’s success can be enhanced, and replicated, with actions needed in Washington, such as **investments in research, technology and innovation.**

“**Congress and the White House must shoulder the lion’s share of America’s basic and translational research investment: energy, the National Institute of Health, the National Science Foundation, advanced research projects and education sciences all need funding increases,**” he argued.

We can’t cover all he recommended here. But he did emphasize an Austin hot-button issue – physical infrastructure on a “scale of investment contemplated by the president’s \$1 trillion vision.” Rollins said “**we need Congress to pass a plan which recognizes fast-growing regions by using up-to-date census data and includes states like Texas that lack new public-private *highway* partnerships.**”

Pointing out “regions like Austin need more and better-prepared talent. Austin maintains a low unemployment rate, despite 110 net new people moving here each day. **We applaud the president and Congress for focusing on apprenticeships and \$1 billion net workforce investment,**” Rollins reinforced.

**He supported international trade agreements “that benefit American workers ... and grow jobs here at home.”** But, he devoted some of his strongest comments toward taxes, in combination with another pitch about the Austin area’s successes. See the next item.

**“In just three decades, the Austin region has transformed from a sleepy university and state government town into a national driver of economic activity and innovation. We are a destination city for entrepreneurs, millennials and breakfast taco aficionados.” So began a pitch for Austin that ended with a plea for tax reform, that also included a hefty sample of Austin’s uniqueness.**

The forum for this presentation was an **article penned for an influential Washington DC publication *The Hill***, on the occasion of a visit to the nation’s capital by a delegation of Austin area business and civic leaders, led by Austin Chamber president **Mike Rollins**. Citing Austin’s successes, Rollins expressed a need for strong economic support from Congress and the president:

“American companies pay taxes that outpace those in other developed countries. **We hope Congress will send the president a tax reform bill that lowers the corporate tax rate**, allows for reasonable repatriation of foreign earnings, maintains municipal tax-exempt bond status and allows employer tax credits to help employees repay student debt.” Then Rollins added this local-reference kicker: **“We also need to facilitate venture capital investment to finance the next hundred Dells, Indeeds or Homeaways.”**

Rollins admitted the Austin area has not enjoyed unbroken success. Here’s how he put it in *The Hill*: “We had an extraordinary economic run in the 1990s. Unemployment dropped to 1.8%, though jobs were highly concentrated in two sectors. **When the dot com bubble burst in 2001, Austin took a heavy hit: 30,000 jobs and \$1.8 billion in payroll lost in 30 months.**”

He immediately re-canted how Austin pulled itself up by its own bootstraps. “The Austin region responded by creating and funding Opportunity Austin, a 14-year strategy to diversify our industry base. **We employed old-fashioned ‘smokestack chasing’ to recruit Samsung, Facebook, Under Armour and Hanger Orthopedic,**” Rollins said.

He added: “we also executed efforts to improve college enrollment by 40% and earned **taxpayer support to build the first US medical school in 50 years to be affiliated with a national research university, so we could grow a new biotech industry segment.**”

Rollins also gave a hat tip to Austin’s cultural reputation. **“We’ve tried to protect those things that make our ‘tails wag’:** the South by Southwest festival, parks, PBS’ *Austin City Limits* music show and local beer,” he said. And he used a quote from Austin’s late musician **Stevie Ray Vaughn**: **“We’re just trying to grow up and remain young at the same time.”** Rollins ended: “We’ve learned some things through our mistakes and successes and we want to help grow more successes.” Thought you’d like to know what is being said about your city.

**Summer heat and dry weather appear ready to become the norm in the Austin area. In fact, the Travis County Commissioners Court this week instituted an outdoor burn ban due to the conditions. Lakes Travis and Buchanan are the reservoirs that provide drinking water and other commercial applications. They are near brim full. So, what's the worry? Based on past history, the worry is they may start dropping sharply. What then?**

Lack of rainfall and evaporation are not the only reasons for a drop in lake levels. Because of long-standing water rights contracts, the Lower Colorado River Authority (LCRA) **must release water for agricultural irrigation and commercial usage downstream from Austin.** This really draws down Lakes Travis and Buchanan (the other lakes in the Highland Lakes chain, such as Lake Austin and Lady Bird Lake are constant level).

**Help is on the way.** Not this year. But as we have reported during the past few years of construction, the first significant new water supply reservoir in decades will capture water near Lane City in Wharton County. **This is huge. It will begin operating in late 2018. This will reduce the amount of your drinking water otherwise required to be released.** All good.

Smaller, lesser-known water supplies to ease the demand on Lakes Travis and Buchanan are in the offing – **a small reservoir in Colorado County and four wells that pump groundwater in Bastrop County.** Every little bit helps

In the short term, watch for the City of Austin's **Austin Water to begin further restrictions on your water usage.** You'll hear the "conservation" watchword more and more this summer.

**The Austin area dodged a dangerous weather bullet. Hailstorms in Texas in 2016 shattered the record for damages. It was \$5 billion last year, more than any other state sustained in any single year since at least 2000. The previous record was \$1.5 billion in 2015. Cities that were the hardest hit were nearby San Antonio and faraway El Paso.**

**Mark Hanna**, with the Insurance Council of Texas, called the hailstorms "relentless", telling the *San Antonio Express-News* "**there were many, many days, actually weeks, where we had golf-ball size hail or larger everyday somewhere in the state.**" Luckily, Austin was spared.

**Not to worry, you Whataburger devotees. The Internet report claiming Whataburger will close all of its stores by February 2018 due to salmonella lawsuits and a bankruptcy is a lie.**

It comes from an admittedly Fake News website, Channel 45 News. **Channel 45 News proudly proclaims it is a "prank website" and exists solely for viral Fake News.**

**The expansion this week of a city-backed program will add 125 more bikes to a fleet of 380 bright red bikes already pedaling around Austin area streets. The bikes are for use by anyone willing to pay the fare. So far, the 380 bikes are clustered at 51 locations. The first 3 of 18 more stations opened this week. When completed in about 1.5 years, those 18 stations will add the 125 bikes to bring the total to 505.**

This is public-private partnership called Austin B-cycle. It is owned by the City of Austin and operated by the non-profit Bike Share of Austin. **You may have seen the bikes. They look alike, are painted red with a small basket in front of the handle bars.** The basket is sometimes adorned with advertising.

Using a credit card, you can rent these 2-wheelers, paying for **a 1-day pass** (\$12), **a 3-day pass** (\$15) or **a monthly pass** (\$11). Annual memberships are also available (\$80). The deal requires the bikes be checked-in frequently while being rented. And the rider pays \$4 for each 30-minutes that bikes are kept beyond the contract period.

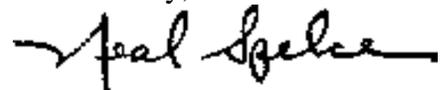
What kind of track record has been racked up? Operators claim that, so far this year, **more than 100,000 trips have been logged, adding up to more than 360,000 miles.**

**Don't know if Mayor Steve Adler's recent statement was an attempt at humor or a bit of petulance. It's kinda hard to tell from the written word. So we'll let you judge for yourself.**

Named a new trustee for the US Conference of Mayors, Adler wrote: **"It's a pretty big week at City Hall when the Mayor getting elected by his peers to a leadership position at the US Conference of Mayors doesn't even make the news."** You decide. Petulance or humor?

**Dr. Louis Overholster** says of a well-known politician: "He uses statistics as a drunken man uses a lamppost – for support, rather than illumination!"

Sincerely,



Editor/Publisher