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Dear Client:

All you have to do is check the skyline to know that downtown Austin is undergoing amazing change. But, there's more to this change than skyscrapers. The Downtown Austin Alliance (DAA) points out that within the last few years investments have also been made in parks and green spaces, a new Central Library, a flood diversion tunnel, roadways and transit planning, and a state-of-the-art teaching hospital. But, what does DAA envision for the future?

DAA took a long-term view toward downtown's future. Long-term? Yeah, they referenced 2039, when Austin will be 200 years old. DAA went through an extensive process to arrive at a vision. **“We engaged 3,000 people in 75 ZIP codes, using surveys, focus groups, interviews and events to learn their aspirations for downtown,”** said Mike Kennedy, Chair of the Downtown Austin Vision Steering Committee.

“The Downtown Austin Vision is the north star to guide the future of downtown toward the **community's values and aspirations for a thriving, welcoming, vibrant and connected downtown,**” reads the vision report. It also calls it **“the downtown you will always love.”**

Lofty words. And its priorities seem to cover all the bases, under four headings: **Thriving Center ... Welcoming Places ... Growing Neighborhoods ... and Leading Mobility.** All worthy subjects. But referenced in *general* terms, with few *specifics*.

There is some precise language, without detail. Such as: “provide a variety of **options for people to get to and from downtown, including a robust transit network in central Austin.**” See what we mean. No mention of what this would look like. Or **“create extremely viable and walkable streets.”**

Other phrases: **improve the experience and availability of parking in downtown while planning smartly for the future ... position downtown for a successful retail future ... broadly address the needs of people experiencing homelessness, and the associated impacts ... make downtown a family-friendly place to live and visit.**

To be fair, this “vision” is not intended to be a blueprint for construction. All bases seem to be touched. But, **the devil is in the details.** And the details will be debated ad nauseum. Stay tuned.

Back Track Time. Austin's new City Manager Spencer Cronk pulled down a City Council agenda item this week asking for a pay increase. You'll recall last week we told you he hasn't yet bought a home in Austin, so he was seeking a 6-month extension of his \$27,000 housing stipend (new total: \$54,000) to cover temporary housing. This was in addition to his \$325,000 annual salary and an annual "executive allowance" of \$7,200. Looks like he'll make do now.

Speaking of housing costs, a whopping 46% of California Bay Area residents fed up with the region's high cost of living and soaring home prices, are planning to pack their bags and move out in the next few years. This was the finding of a poll conducted by the Bay Area Council.

To qualify, a 1,000-person survey in such a small geographic area is a very thorough survey, with high reliability. And, the majority of those polled said they have lived in the region for more than 20 years. **So what else did the 1,000-person survey determine? What bugged them?**

The survey found **homelessness and heavy traffic** were among the things that most irk residents who live there. And, they increasingly believe that **life in the Bay Area is heading in the wrong direction**, despite having mixed feelings about its economy.

Admittedly, the survey was conducted by a business-oriented group that is upset by many of the same issues named by the respondents. The Bay Area Council describes itself as a **business-sponsored, public policy advocacy organization**. However, this doesn't diminish the results.

Okay, okay. Just one more California-related item. You may remember former Texas Governor Rick Perry put on a full-court press to try to convince Tesla's Elon Musk to locate a Tesla facility in Texas. Perry even drove a Tesla to a personal meeting with Musk. Didn't work. Musk snubbed Texas in favor of California. Musk may be having second thoughts.

Tesla is in a public fight with California arguing that "**doing business in the state is hard enough without a fast-developing labor regulation** backed by organizations that want to **unionize its Fremont plant**," according to the *Sacramento Bee*. The rule could take effect as early as next month, opening Tesla to additional scrutiny from California's Labor and Workforce Development Agency and the California Air Resources Board. Tesla's supporters argue the rule "discourages future manufacturing investment in California."

While we don't know the specifics of Perry's speech, you can bet he not only touted the tax advantages of doing business in Texas, he also pointed out **Texas is a Right-To-Work state that is, to be charitable about it, not very labor friendly.**

While on the subject of bidding for business and possible second thoughts, the TexasA&MSystem and its partners beat out the UTSsystem and its partners for a huge – huge is underlined! -- \$2.5 billion annual contract with the USDepartment of Energy, to manage and operate the famous Los Alamos National Laboratory (the birthplace of the US atomic bomb) for five years.

There were some sidelong glances when it was announced because the **Energy Department is headed by TexasA&M's most famous alum and vocal supporter, former Texas Governor Rick Perry.** But there was another facet that may be more intriguing.

In the aftermath, it was revealed (rumored?) that early-on there may have been discussions about the two Texas Systems joining forces. Think about this. These two very competitive great institutions -- not just in sports -- but in the quest to hire top faculty, the battle for state appropriations, etc., combining their talents, expertise and assets. **Why did it not happen? We don't know.** But it could trigger some second thoughts in the re-hashing.

A Texas-centric bid would fit a pattern. Combining forces was not out of the norm in this process. Later, in their separate bids, they each *did* partner with other institutions. TexasA&M joined with the University of California in its winning bid. The UTSsystem was the lead partner with several other entities.

If it's any consolation, the UTSsystem did decisively beat the TexasA&MSystem in a significant scientific research measurement. By actual count, the UTSsystem is #3 in the world among universities granted US patents in 2017. The number of patents: 219. The world rankings show the UTSsystem beat out such US research university stalwarts as Stanford, Johns Hopkins, CalTech, Harvard and other institutions around the world.

The University of California System at #1, and Massachusetts Institute of Technology at #2, beat out the #3 UTSsystem. Other *Texas* institutions' worldwide rankings: **#67 University of Houston System (39 patents) ... #79 Rice University (34 patents) ... #83 TexasA&MSystem (32 patents).** The UTSsystem prestige value is incalculable.

While we're talking about worldwide rankings, the city of Austin recently picked up a dubious distinction. By an unusual measure, Austin is the 25th most expensive city in the world to move to. Whoa! Really? An outfit in Berlin called Nestpick ranked 80 world cities by the relocation costs for the first month after a move to that city. In Austin, average rent, \$1,014.61 ... Internet and phone, \$49.05 and \$70.37, respectively ... food and drink, \$612.78 ... and transportation costs, \$43.65. Most expensive, Dubai. Lowest cost, Cairo.

What's with the changes at IHOP? You know, the breakfast favorite restaurant of many. The abbreviation refers to International House of Pancakes. This week, IHOP said it will be altering its abbreviation from IHOP to IHOB. International House of Bagels? International House of BBQ? Nope. The change from P to B is a reference to Burgers? Burgers for breakfast? Again, nope. Burgers for lunch and dinner.

First of all, your favorite neighborhood IHOP will keep its signage on its buildings. **The switch to IHOB is a promotional ploy. Seems IHOP's business falls off at lunch and dinner.**

Many locations are open 24 hours a day. So, to expand its appeal and revenue, it's altering its identity slightly to sell the idea that you can also pick IHOP as a lunch or dinner destination.

And in the process, it is not giving up its brand as a go-to location for morning dining.

Pancakes and all the breakfast fixins will continue to be offered. But, actually, it may

have gone a bit too far with this burger thing. The new menu features a **"Big Brunch Burger."**

Yep, this burger has bacon, a fried egg and browned potatoes on top. No kidding. The

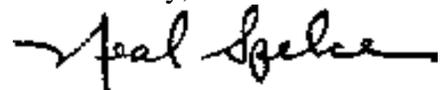
bottom line for this IHOB promotion is the bottom line. **IHOP's same-restaurant sales**

declined 1.9% for fiscal year 2017.

Speaking of burgers, In-N-Out, the popular West Coast burger chain that "invaded" Texas to challenge Lone Star favorite, Whataburger, closed all its Texas stores, including Austin, Monday for one day. The reason: it said the burger buns used in its Texas stores weren't up to company standards. (Company officials said there was no health risk.) After re-stocking its buns, In-N-Out stores re-opened Tuesday. In that short 24-hour period, Whataburger diehards had a field day with snarky comments. Not so fast! The next day, Whataburger pulled some white buns and Texas Toast from its menu in certain Texas cities (Austin was not on the list). It said: "no health risk" just an impact on flavor due to a yeast imbalance.

Always the jokester, **Dr. Louis Overholster** responded when asked if it was proper to eat a hamburger with your fingers: "No, stupid, you should eat your fingers separately!" Groannnn.

Sincerely,



Editor/Publisher