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Dear Client:

Face it. Whether you like it or not, advances in robotics and artificial intelligence will be used in battle by someone – an enemy or an ally. And Austin will be on the cutting edge of the effort to ensure US soldiers will have the best technologies available. This was securely set in stone when the first new 4-star command in 45 years – the Army Futures Command (AFC) – was established, not in a remote military base, but in downtown Austin.

While this is a development of yet-to-be-fully-understood, long-term-significance to the Austin area, it is a **continuation of Austin’s quiet involvement for more than a half-century in private and public war-related activities.** Two quick examples: 1) **UTAustin’s Defense Research Lab** was active in World War II in North Austin, where the Pickle Research Lab now sits, and where Sam, the first monkey to launch into space, was trained and 2) **Tracor**, the first home-grown NYSE-listed company, was **founded in 1955 to work on US defense electronics.**

What we know about the AFC’s economic impact in Austin is that, once fully operational, it will **employ about 500 employees, including 400 civilians.** Not Dell-huge in terms of numbers, but important in high-level positions. This is where university graduates and private sector workers come in.

“By tapping into private-sector and academic know-how, the Army can better develop solutions to future problems,” observed longtime Texas economist **Ray Perryman.** **“With Austin’s large number of professionals in science and technology industries and thousands of graduates each year in science, technology, engineering, and mathematics career fields, the area is well equipped to work with the Army to modernize.”**

The Army hasn’t said so yet, but you can anticipate that **millions and millions of government dollars will start flowing, as if from a fire hose, into UTAustin, established tech and computer companies, start-up tech innovators, leading-edge researchers, etc.** This is how the Army can maximize the advantages of all that Austin offers. *Make no mistake, this will provide a significant infusion of funds into the area.*

Want a phrase from an expert that puts the Army Futures Command Austin/Texas location into perspective? Try this from Perryman: *“In one of the most important arenas imaginable, Texas has shown itself to be an innovation juggernaut of global significance.”*

Austin's economic growth has been widely-chronicled. (Same song, 47th verse.) But not as widely reported is the fact this growth has contributed to an explosion of data centers. Austin commercial real estate companies responsible for leasing space for such enterprises are the most aware of this phenomenon. Internet needs, particularly data centers, continue to quietly expand almost exponentially.

Data centers are not all that sexy – no products or services sold to the general public, no vast numbers of employees needed to make them hum. **The basic needs for data centers are space and power.** But, they are an important component of the tech industry in Austin.

What's driving this? According to **Mary Ann Azevedo** of GlobeSt.com, the Austin data center market **“is driven by a combination of state entities, local startups and several large technology companies.”** She further adds **“a number of large technology companies such as Amazon, Facebook, Apple, Cisco Systems have a presence in the Texas capital.”**

She quotes **Haynes Strader**, senior associate of CBRE's Data Center Solutions team: **“The Austin market is seeing a record number of technology companies growing locally, and most of those companies have accompanying data center requirements. This has created a healthy environment for continued growth.”**

What about Austin's high energy cost? **“While it is cheaper to build data centers in Austin than say, California, it's the most expensive Texas market** with Dallas and Houston being significantly less because of land and power costs,” said CBRE Senior/VP **Brandt Bernet.**

However, CBRE's Strader says there are large swaths of land outside the regulated power market (served by Austin Energy) that could be developed. He further states: **“Deregulated power markets just outside of Austin are also more likely to attract a user that is cost-sensitive.”** And, these outlying areas offer the potential for significantly larger data centers due to the amount of land available, as well as reduced energy cost.

Seems like a lotta folks these days are heeding advice that goes something like this: “If you wanna find a job right away, without spending a lotta time looking around, go to Austin.” At least the stats appear to reinforce this. Austin's unemployment percentages got a little better this past month, hitting the 3% mark – supporting economist's predictions that this is a “full employment number – if anyone wants a job they can get one.”

By all accounts, the 5-county Austin metro area is a robust job market. But, as always, you need to dig a little deeper in the numbers. **Finding a job is less of a challenge. But finding the right job may be daunting for some.** There are obviously a lot of “Now Hiring. Inquire Within” banners on Austin businesses. But, there are still active job searches going on.

This is the week you will see – literally, *see* -- major changes to the almost-150-year-old *Austin American-Statesman* (AA-S) -- both to the venerable print version and the continually-changing online version. Not a surprise. New owners GateHouse Media were expected to put their imprint on the AA-S. The new look unveiled this week follows on the heels of a significant staff shake up. Many employees accepted the voluntary severance package offered by the new owners earlier this year. What can you expect?

Well, if you are one of the diminishing number of print subscribers, you will wake up to a splashier look Tuesday morning (9.25.18). **Stories will be presented in larger type and the pages should look a little brighter with** more use of white space and the addition of blue color blocks to separate individual items. Color photos will be more prominent. Designs may vary with each edition.

The online version will not only look different, it will become different to navigate. Currently, print subscribers have, for five years, had access to a password-protected subscriber-only site, MyStatesman.com. Free-loaders have access to a limited-content site, Statesman.com. Thursday (9.27.18) the password-protected subscriber site will go away, leaving only Statesman.com.

Wait a minute. During these financially-difficult times for newspapers, **will those who pay for the print version be penalized when the only online Statesman site is open to anyone? Nope.** The paid subscribers will have access to everything on Statesman.com. But. **Non-subscribers will be able to read only a limited number of stories. Then they will be prompted to subscribe.**

Obviously Statesman.com will get a graphic makeover to accommodate its new, differing functions. **Austin360.com**, focusing on entertainment news, and **512tech.com**, that covers the tech scene, will both get makeovers. **Hookem.com** will continue to cover the Texas Longhorns. And, an upgraded search engine is supposed to make it easier to find past online stories.

Remember, as we have previously reported, Editor **Debbie Hiott** and Publisher **Susie Biehle** both announced their departures from the *Statesman* and we told you veteran transportation reporter **BenWear** is hangin' 'em up. It remains to be seen how these significant departures will affect news coverage. **A new publisher, brought in from outside Austin, is taking over to run the business affairs.**

It's important to note – especially for those who like to read the print version of the paper – that no announcement has been made about changing deadlines for the printed paper. During earlier cost-cutting moves, the *Statesman* brass out-sourced the physical printing process. **Your newspaper that is delivered each morning is printed overnight in San Antonio and hauled to Austin on a truck. To accommodate this time lag, late-breaking stories don't meet the deadlines for inclusion.** Night-time sports stories, for instance, are printed a day late.

Burning issue of the day: where have all the longneck beer bottles gone? C'mon. Think about it. The symbol of Texas beer guzzling -- made famous by Texas-centric beers such as Lone Star and Pearl -- appears to be diminishing amidst the flood of 12-ounce cans, 40-ounce bottles, tallboys, ponies, stubbies, etc. that you find stacked in local beer racks everywhere. Is it just an illusion or is the longneck another vanishing Texas symbol like the horned frog?

Admittedly, the longneck beer bottle didn't originate in Texas. But, if your awareness of Texas oddball culture harks back to the 1970s, **you may think it heresy that longnecks are not pure Texas symbols. In fact, *Texas Monthly's* Texanist credits Austin as the focal point for such an appeal.** Remember the Armadillo World Headquarters where hippies and rednecks crossed a cultural barrier to drink beer together? Why were longnecks a part of this culture shift?

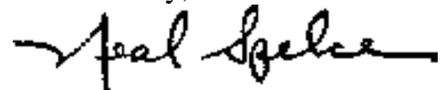
First of all, Lone Star Beer was losing market share for hip young folk in Texas to Budweiser. A solution: hammer home some ads. **“Famed 'Dillo dweller and poster artist Jim Franklin, the man who put the armadillo in the Armadillo was hired by Lone Star to work on an ad campaign,”** writes the Texanist.

The visually-striking advertising campaign **“came up with a beautifully simple slogan that captured the carefree undercurrent of the zeitgeist that was emanating from that time and place: ‘Long Live Long Necks.’** The resulting posters, bumper stickers and radio spots helped to solidify the burgeoning brotherhood between the rednecks and the hippies, who were bonding over the hybridization of their musics,” noted the Texanist.

“Before long, the longneck beer bottle and that cultural movement were joined at the hip for all of eternity,” observed the Texanist. “Lone Star sales were up and the longneck was becoming a bona fide trend.” But what about the “burning issue?” **“The longneck ain't going anywhere anytime soon,”** the Texanist concludes. **“It's just the astonishing upsurge in the number of canned beers that makes the population of bottled brew look so puny in comparison.”**

In college, **Dr. Louis Overholster** thought a balanced diet was a longneck in each hand!

Sincerely,



Editor/Publisher