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Dear Client:

**What would a race for President of the United States be that didn't include a Texan or two in the mix? Remember last time around, the Republican primary featured Ted Cruz and Rick Perry. It also included Jeb Bush, who was born in Texas and is a family member of the famed two-Bush-presidents-from-Texas. Now it's the Democrat's turn. Let's start with two Texas Democrats in the very early speculation – Julian Castro and Beto O'Rourke.**

Castro is the Texan frontrunner as we speak. **The former San Antonio mayor and former Housing and Urban Development Secretary is making the most overt moves** to get the Democratic Party's nomination for president, even saying he is "likely" to run.

What do we mean by "overt" moves? Just last week Castro had a private meeting in the Alamo City with roughly **20 possible donors to fatten his presidential campaign war chest**, as first reported by *Politico*. **He's also building a paid staff in the early nominating state of Iowa.** And, he's talked to lawyers about "the mechanics of a possible 2020 presidential campaign."

**Just as important, he crisscrossed the country during the recently-concluded midterm elections campaigning for Democratic candidates.** This was a significant effort to build support, as his Opportunity First PAC endorsed (meaning, gave money) to 89 Democrats. He's visited early primary states like New Hampshire, South Carolina and Nevada, as well as Arizona and Florida. He was an early (2017) endorser of **Andrew Gillum's** Florida campaign for governor.

And, right now, **he is the only Hispanic to privately make major presidential moves.** Not coincidentally, Castro is raising money and speaking in Hispanic-heavy California late this week.

Ironically, O'Rourke while not making anywhere near the national moves as Castro, is more top-of-the-mind with his fellow Democrats. **He is a media darling, as well as an inspiration for liberal Democrats** – with many speculating about a presidential run for him.

**The El Paso Congressman's term ends in January.** So he has a national platform – if he decides to use it – as Dem leaders urge him to seek the presidency. His mega-financed race against Cruz raised his profile. Check the next item for stats about O'Rourke's campaign.

**Betomania is taking many forms these days, following Dem Beto O'Rourke's high-profile, well-financed, failed effort to defeat GOP US Senator Ted Cruz. Following the national media's fascination with him, you could almost conclude he pulled off an upset. Yes, he came close. Even realistic Republicans acknowledge he almost broke a 24-year-record where no Democrat has won a Texas statewide race. But, let's examine just how close Beto came to making Texas history, and check out different efforts on his behalf now.**

If you view Betomania through a Travis County lens, it looks like he can lead Texas Democrats back to the Promised Land. **Remember, Hillary Clinton beat Donald Trump like a drum in Travis County. And Beto got 49,000 more Travis County votes in 2018 than Hillary did in 2016.** But, Travis County is an anomaly in the overall Texas political picture.

Consider this: **Beto O'Rourke got less votes in Texas than the *least popular* statewide Republican.** Let this sink in. Attorney General **Ken Paxton**, who is facing security fraud charges, got more statewide votes than Beto. Even Ag Commissioner **Sid Miller**, whom many in his own GOP party consider a lightweight (this is putting it charitably), also got more votes than Beto.

Governor **Greg Abbott**, who had a campaign war chest as big as Beto's, got 4,636,029 Texas votes. Abbott won his re-election bid by more than a million votes. **Despite Beto's best effort, Texas will remain in GOP control for the next two years.**

The next two years, leading up to the 2020 presidential election year, is where **speculation is running rampant in left-leaning Democrat circles (this includes much of the national media) about the next steps for Beto O'Rourke, a charismatic, engaging Texas Congressman from El Paso.**

There's a new wrinkle being discussed. Texas US Senator **John Cornyn is running for re-election to a new 6-year term in 2020. There are those urging Beto to build upon his campaign against Cruz to challenge Cornyn.** Those Democrats pushing this scenario point to recent polls showing Cornyn is less popular in Texas than Cruz.

But, this argument ignores the fact that Cornyn has won other statewide races (Texas Supreme Court) in addition to his successful previous campaign for the US Senate. **Cornyn has enormous national fund-raising capacity aided by his recently term-limited high-profile position in the #2 GOP US Senate leadership position.** His continuing high-profile role considering judicial nominations on the Judiciary committee should keep his visibility high.

This will not swing much weight with the Betomania supporters. Even now, they are being urged to **change their Beto yard signs with add-on stickers (2 for \$10) that say "2020."**

**Let's look ahead a bit to the next big political hoo-haw in Austin – the every-two-year convening of the Texas Legislature in just six weeks, January 8, 2019. In recent years, City of Austin officials have always looked to any legislative session with a certain amount of trepidation. It seems Austin's left-leaning policies have always irked the right-tilting legislature. This session will be no exception. Take Austin's paid sick leave ordinance that is now pending.**

You'll recall earlier this year, the Austin City Council overwhelmingly passed an ordinance that requires **companies, with 16 or more employees doing business in Austin, to provide at least 64 hours of paid sick leave per year, or eight full-time days of paid leave.** Under the law, if an Austin business had 15 or *less* workers, it was required to offer at least six business days of paid sick leave, or 48 hours.

Of course, it was controversial. Worker groups and progressive advocates praised it. But, businesses and conservative groups complained about costs and government overreach. **It was to go into effect October 1, 2018. But, a lawsuit resulted in an injunction to halt the ordinance's implementation.**

You'll remember when it passed the Council almost unanimously, **we suggested the legislature would likely jump into the squabble. Sure enough, it happened.** GOP State Representative **Paul Workman** said he was going to move for the legislature to overturn the paid sick leave mandate. But, lo and behold, Workman was defeated in the election ten days ago. Now what?

Well, this week kicked off the legislative calendar's time for filing bills to be considered in the 140-day session that ends May 27, 2019. And right out of the starting gate, **a bill was filed by a GOP State Rep from Fort Worth that would prevent any Texas city from forcing an employer to provide paid sick leave.**

As expected as the filing was, it may only be the tip of the iceberg. Look for more anti-Austin bills to be introduced. **You can expect much broader legislation to be considered that would restrict all manner of local city ordinances regulating any sort of private employment practices.**

There will be a concerted, well-financed, statewide push we first told you about in our 10.26.18 edition. Its stated purpose: **“to fight for public policies that protect small business owners from burdensome, California-style government regulations.”** Austin will be squarely in the cross-hairs of this targeted effort by a group called ASSET – Alliance for Securing and Strengthening the Economy in Texas.

The City of Austin has once again – as it does every legislative session -- set aside **a city-funded lobbying war chest to battle the forces** that will be pressing these and other matters affecting Austin. The money will really be needed, if what we are hearing is true.

**In Austin’s rear-view mirror, Amazon HQ2 presents an interesting sight. Frankly, the decision to split HQ2 between Long Island City in New York and Arlington, Virginia – with a sop facility tossed to Nashville – reveals more about Amazon than it does about Austin, or for that matter Dallas, the other Texas finalist city. No question the decision was one of the biggest economic development deals of recent times. But hindsight offers some insight.**

Amazon came to the conclusion that its initial grandiose plan of a \$5 billion investment, promising up to 50,000 high-paying jobs to a single city, was **too much for a single city – and, probably, too much for even Amazon to handle.** No single site was perfect. By slicing in half its early ambitious plan, it became more manageable for the chosen cities and for Amazon as well. Each location has its own set of unique problems to attack.

This is not to paint a pretty picture for those cities that didn’t make it. **And there is no such thing as a sour grapes/sore loser in this analysis. But certain realities need to be addressed.** Let’s look at how Austin emerged from this process.

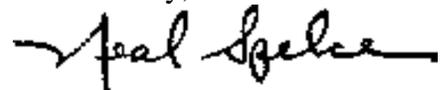
**Austin’s already-substantial worldwide reputation as a quality city of the future was tremendously enhanced.** For the past six months, practically every analysis or news report about Amazon HQ2 extolled the virtues of Austin as one of the top US cities on the list – even tabbed as the #1 choice by some. This held true to some extent for Dallas and for the state of Texas.

This is not just a *public* awareness. **You can bet every CEO, who has expansion of relocation plans, was keenly aware of the Amazon HQ2 effort, as thorough and detailed as it was.** (In 1966, when IBM was one of the first major companies to pick Austin as a site, CEO’s sat up and took notice. After all, IBM was the premier company at the time and didn’t just throw darts at a map to pick a site.)

**The fallout of Austin’s “loss” with Amazon HQ2 will be felt positively for some time.**

**Dr. Louis Overholster** long ago joined a support group for procrastinators. They haven’t met yet.

Sincerely,



Editor/Publisher