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Dear Client:

It's common these days for glowing national articles to be written about Austin. So when an opinion piece in a respected national publication criticizes actions by Austin, you need to be aware of what is being said. Within the past week, *The Wall Street Journal (WSJ)* wrote the City of Austin "risks becoming the San Francisco of the South – an expensive playground for wealthy progressives." And it cited examples.

"It would be hard to find a better example of left-wing naivete in municipal affairs than what transpired here in November," wrote the *WSJ* in its opening sentence. "Voters in the Lone Star State's progressive bastion **overwhelmingly approved a \$925 billion bond package, but rejected a simple ballot initiative for an independent audit of city spending.**"

"The defeat of the audit wouldn't be so galling if the new bonds didn't so obviously demonstrate the need for an independent review of Austin's books. Spending in the Texas capital is more like what one would expect in some profligate California city," observed with *WSJ*. "With this new bond package, **Austin has been reduced to using debt to fund parks, public safety and sidewalk repair – instead of paying for them out of its \$4.1 billion annual budget.**"

It cited other examples saying Austin "**spends too much of its steadily growing budget on dubious social programs and utopian schemes, financed by a steadily growing tax burden.**" It ticked off actions such as mandatory paid sick leave "with an exemption, of course, for union shops." A solar-ready requirement for all new homes and commercial buildings was another example, as was "exorbitantly high development fees that get passed on to consumers."

"**The priority of the city's ultraprogressive political establishment is to serve the interests of the wealthy, ultraprogressive white people who fund and elect Austin's insular political class,**" claims the *WSJ* opinion piece. "As living here gets more expensive and as the city's elite dig in to protect their left-wing haven from disruption and change," it becomes more like San Francisco. Tough talk.

Let's put this in perspective. Readers of the *WSJ* can agree or disagree with this assessment. This is not the point. **The point: this review of the City of Austin's governing policies is now out there for all to see. In a respected publication.**

Harsh national reviews about the Austin area are almost always offset by positive developments that gain wide acclaim. For instance, the US Bureau of Economic Analysis this week released personal income data for metro areas and counties. It reported the five-county Austin metro area recorded the 5th fastest growth rate in the US in total personal income, a percentage growth rate of 6.4% in 2017.

This isn't just another ho-hum economic statistic. **Personal income is the broadest measure of local economic activity available**, with the exception of gross domestic product by metro, according to **Beverly Kerr**, VP/Research for the Austin Chamber. This is a key stat.

So, how does Austin compare with the 50 largest metros? The slowest growth rate was 2.5% in Hartford, CT. San Jose's 6.7% growth was the highest. And, locally, within our 5-county metro? **"Growth ranged from 6.0% in Travis County to 7.7% in Hays County,"** said Kerr.

But this one-year statistic isn't the whole story. What about a five-year measure? Well, since you asked, **Austin's personal income growth over the last five years is 35.2%**. And, according to Kerr, this is **"better than all but two of the 50 largest metros and substantially above the 21.2% growth for the metropolitan portion of the US."**

Texas boasts one of the largest luxury home markets in the country. High-end home sales have seen especially strong growth in the Lone Star State since early 2017. And Austin leads the pack of Texas' four biggest metros.

"Of the state's four major metros, Austin contains the highest overall prices in terms of both the sales price and price per square foot," notes **Joshua G. Roberson** with the TexasA&M Real Estate Center. He says two factors play into this.

First is Austin's popularity as a place to live. This **"chronically squeezes supply and pushes up prices relative to the other three metros,"** he points out.

Second is the size of the homes, **which are smaller compared with the other metros.** The other metros are Dallas-Fort Worth, Houston and San Antonio.

Of the four, **Austin has by far the most active condominium market,** specifically at the higher-priced cohorts.

Homes in the \$1-million-and-above range are typically recognized as the luxury market. **"Once home prices reach the \$1 million mark, the game changes entirely. Purchases are no longer based primarily on size and location, but rather on unique amenities and premium materials. Also, the buyer pool is often national or even global,** reports Roberson.

To run or not to run? For president? That is the question the charismatic Texas politician of the moment, Beto O'Rourke, is pondering. Or, how about to run or not to run – for the USSenate seat held by John Cornyn? And, even though both contests will take place during the same election, why not run for *both* President and the USSenate *at the same time*? It's possible and legal in Texas and there is precedent for this to occur.

Make no mistake, O'Rourke – despite losing his last race against USSenator Ted Cruz – is the **darling of many Democrats as they ponder who they will nominate for president**. It's not just Democrats. In fact, **Jeff Roe**, the chief strategist for Cruz's campaign, told the *Houston Chronicle* **O'Rourke has a hot hand and should strike while he has it**: “You don't get that very often. If you have a hot hand, take it.”

The race to get the Democratic nomination for president is crowded and should play out much as it did for Republicans last time around. **The odds for O'Rourke surviving that knock-down, drag-out primary campaign are long**. As a result, some Dems are arguing the El Paso Congressman should build upon his surprising vote totals against Cruz and stay home to try to unseat Cornyn. But, why not do both?

For the 1960 election, the Texas Legislature changed the Texas Election Code. It was referred to as The LBJ Law. **It allowed Senate Majority Leader Lyndon Johnson to seek re-election while also running for president**. Up to that time, a person was only allowed to run for one office at a time. This is still true, with one key exception -- if the 2nd office is for president or vice president.

At the time, **LBJ was on the ballot as John F. Kennedy's VP while being listed as a candidate for re-election to the Senate**. After winning the national election, LBJ resigned his Senate seat. Later, Texas USSenators **Lloyd Bentsen** (Dem) and **Phil Gramm** (GOP) tried the same two-race tactic.

So, the question is will O'Rourke run for both offices at the same time? The answer is why not? Because he can. After all, he raised \$70 million to spend in Texas in his just completed contest with Cruz. Money should not be an object and he should be able to raise the national bucks as well.

The key: his intangibles. The GOP strategist Roe said **if Democrats are looking for a charismatic standard bearer, O'Rourke has “buckets full of it.”** And, he predicted he would win the first presidential primary contest in 2010, in Iowa. The Iowa caucuses are the epitome of retail press-the-flesh politics. Retail politician O'Rourke proudly proclaimed he visited all 254 counties in Texas running for the USSenate.

It's still early in the decision-making process for either race. **But you can bet Cornyn is looking over his shoulder at a possible O'Rourke challenge**. He has already publicly talked about it. The unique possibility of “two races at a time” will keep the spotlight on Texas.

Thinking about hopping in your car for a little holiday trip? You might be ready for an update on the world's best roadside stop, with the world's best restrooms. Of course we're talking about Texas' favorite Buc-ee's. Good news. Buc-ee's is taking a technological step forward to improve your experience when you gotta go.

Have you ever rushed inside a public restroom desperate for an unoccupied stall? Sure you have. Did you start leaning over to see if someone else's feet are showing? Or did you check each door for an "occupied/vacant" sign on the handle area? Or you did you interrupt some stranger by rattling the door? Yeah, admit it. You've been there. Well, Buc-ee's is coming to your rescue by installing "Tooshlights."

A Tooshlight positioned outside the door of each stall is immediately visible when you dash into the restroom. **It tells you which stalls are open so you can make a bee-line for a vacant stall.** Pretty neat, huh?

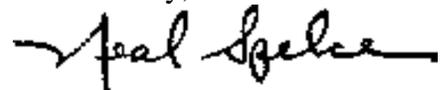
It's no surprise Buc-ee's is one of the pioneers of this technology. Face it, **given their generous number of bathroom stalls, dashing down the long rows can be quite daunting when nature is calling – forcefully – and you rush in.** Which ones are occupied? Vacant?

Think about it. Starting with Buc-ee's mega-store in Katy, just this side of Houston, **their 40 stalls now have individual Tooshlights.** Can you spell r-e-l-i-e-f? Another king-sized Buc-ee's, just north of Austin in Temple, the 39 thrones, uh, stalls, there are similarly identified.

We have **Dan Solomon** of *Texas Monthly* to thank for calling the Buc-ee's announcement to our attention. Buc-ee's partnered with the company called Tooshlights to install the technology. It'll be interesting to track the progress of this concept.

Learning of Buc-ee's move, **Dr. Louis Overholster** was reminded of the Irish imbiber who left his favorite pub and entered a nearby church's confessional. The priest kept clearing his throat to get him to speak, and got this reply: "Will you please be quiet. There's no paper on this side either!"

Sincerely,



Editor/Publisher