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Dear Client:

**Did you know that almost 3 million acres in Texas is foreign-owned? When Texas joined the US, it maintained private ownership of all its lands – unlike some states, mostly in the western US, where much of their land fell under federal ownership when they joined the union. Now, foreigners are buying up much of the big-acreage land in primarily-rural Texas. This is in addition to foreign interests investing in suburban commercial properties.**

This type of development is not normally the focus of this newsletter, but it struck us this is a phenomenon in which you might have an interest, if only as someone who is aware of the larger picture of what is going on around us. **Change is an important discussion about what is happening in Texas and this is another facet of change.**

Which foreign entities are buying huge chunks of Texas? Where are they from? **Which parts of Texas are they targeting?** What is the usage for the land?

**East Texas is one of the acquisition targets.** Canadian-owned entities are buying increasing amounts of land in the **pine timber region** of East Texas. **Tyler County, Newton County and Polk County have the largest acreage concentrations** of foreign ownership along with the country of origin for the largest owners. Also land is being gobbled up in **Panola, Nacogdoches and Cherokee counties in East Texas.**

The largest acreage holdings, in addition to East Texas, are in **South and West Texas.** **Hidalgo County** in the Rio Grande Valley of South Texas is right up there with East Texas timber counties having the largest concentration of foreign ownership. **Willacy County**, to a lesser extent, is on the list from the Valley. Cropland is the primary usage of the South Texas land.

West Texas? **Briscoe, Culberson, Jeff Davis, Zavala, Nolan, Sterling, Presidio and Reeves counties** show up on the list where foreign land owners are concentrated.

**Besides Canadians, which countries have the largest Texas holdings? Germany, The Netherlands, the United Kingdom top the list.** By the way, this is the most current tally, but it is only up-to-date as of 2014. It should expand when the next report is released.

**A part-time Austinite said publicly this week he has “every interest in running” for President in 2020. It’s not an idle gesture. He is well-regarded in his Democratic Party and is no stranger to the national political stage. We’re talking about Julian Castro, the former mayor of San Antonio and a current lecturer at UT Austin’s LBJ School of Public Affairs.**

As if to underscore the seriousness of his plan, he has a high-profile speaking engagement next week in the early primary state of New Hampshire. **And, he is promising to make a final decision on whether to make the rigorous run by the end of this year.** In the meantime, he’ll be testing the waters with voters, and no doubt will be tapping donors for campaign funds.

You’ll remember **President Obama** named Castro to his cabinet to run the US Department of Housing and Urban Development. More recently, he was on the “short list” to serve as **Hillary Clinton’s** running mate in her presidential campaign. He was a featured **speaker at the Democratic National Committee, and campaigned nationwide for Clinton** in her failed campaign against **Donald Trump**. He is a “darling” of many of the Democratic Party power brokers.

What are the odds? Long. The Democratic Primary will probably feature much bigger names – such as **Bernie Sanders, Elizabeth Warren, Cong. Joe Kennedy, Eric Holder, Joe Biden.** In fact, you could see as many Democrats vying to run against **President Trump** as the GOP had when Trump emerged as the party nominee.

Interestingly, his twin brother, **Joaquin Castro**, is seeking re-election this year to his San Antonio seat in Congress, after toying with the idea of running against Texas US Senator **Ted Cruz**. (By the way, don’t make the mistake of pronouncing Julian’s name “JOOO-l-yun.” He prefers the Hispanic pronunciation of “Hoo-lee-AWN.”)

**Speaking of national developments with a decidedly Texas flavor, the future of the trade agreement linking the US, Mexico and Canada is very much up in the air at this hour. It’s called NAFTA, the North American Free Trade Agreement. President Trump campaigned on a pledge to bail out of NAFTA. But, many Texas and Austin business leaders have been wringing their hands at the possible loss of what they feel has been a strong economic boost.**

Now comes an argument to stay in NAFTA – petroleum sales. Quoting **Richard Parker**, the *Dallas Morning News* reports “the intersection of shale oil and natural gas with new technology – in drilling techniques – combined with lots of capital and low tariffs ... **turned all of North America into one big energy powerhouse.**”

“More than 80 refineries process Canadian and Mexican oil; **Texas Gulf refineries** handle Mexican crude. Gasoline produced by US companies is being sold to Mexican consumers,” the *DMN* report continued. The oil/gas industry should be considered as NAFTA is renegotiated.

**If you're concerned about roadway congestion in Austin (and who isn't?), it's informative to take a look at what is happening in the most congested city in the US – Los Angeles. Despite committing to billions of tax dollars to expand transit options, ridership is falling while more cars are added to roadway traffic daily. Let's look at what is going on there, and why.**

Since 1990, Los Angeles County has added more than **100 miles of light and heavy rail, and more than 530 miles of commuter rail** regionwide, according to the *New York Times*. In 2016 almost 70% of the voters chose to **tax themselves to raise \$120 billion for subways, light rail lines and other transit projects over 40 years**. Still, traffic is terrible. And it is getting worse. How can that be?

Start with this alarming fact: **Despite all the spending on public transportation, 2017 statistics show ridership fell to its lowest level in at least eight years** – mostly because fewer people are taking the bus, reported the *NYTimes*. Experts and officials have speculated on various reasons for the decline including competition with ride-share companies, immigration policies and concern about the safety of public transit.

But, a new report from UCLA's Institute of Transportation Studies says the **biggest reason is more Southern Californians are buying cars**. It reports that between 2000 and 2015, private vehicle ownership increased from 1.7 to 2.4 vehicles per household. Okay, how has that impacted public transit ridership?

**“The study says car ownership grew fastest among ‘foreign-born households’ and other low-income people who tend to take public transit the most,”** noted the *NYTimes*. “Transit today relies on a high rate of use by a narrow base of people.” And many in that narrow base are buying cars. Why? **“Driving remains too darn cheap.”**

One solution that was proposed: striving to reach a “vast untapped potential” – **the 77% of Angelenos who rarely or never use public transit.**

**While on the topic of transportation, look up when you next use Austin-Bergstrom International Airport (ABIA). Check out the work on the roof of the main Barbara Jordan Terminal. The original roof was built in 1999 and has reached the end of its lifecycle. How is the contractor protecting ABIA travelers inside while the roof is being replaced?**

Plastic sheeting, more than 100,000 sf of covering, is creating a suspended barrier on the 50-foot high ceiling to protect travelers, retail and commercial space. As you read this, contractor **Hensel Phelps has reached Gates 6-15, the central and widest part of the Terminal.** Starting at the west end, the work is migrating east, with completion at Gate 2 later this year.

**Did you know that secret, sinful, sweet you enjoy when no one is looking – the SNICKERS® candy bar – is made just 90 miles up the road from Austin? Or if your sweet taste runs to Starburst® or Skittles®, they also are manufactured in that same close-to-Austin facility – in Waco (the city where, by the way, Dr. Pepper soda was invented). Now Mars Wrigley Confectionary has broken ground for a \$30 million expansion of its candy-making Waco shop.**

Mars has been operating in Waco since 1976 and currently employs about 600 Central Texans. Obviously the **announced expansion this week will add to those employee numbers**, though no new figure was released by Mars Wrigley Confectionary this week.

Interestingly, **Mars is well aware of the guilty pleasures many feel when they purchase their particular brand of sweet-fix.** As a result, it is crowing about being the first chocolate manufacturer to reduce single-serve products to below 250 calories.

For instance, it recently launched **SNICKERS® Crisper at 190 calories** per serving. It also just launched **M&M's Caramel at 190 calories** per serving and it even brought back **M&M'S® Crispy at 180 calories.**

By the way, if you're locked-in to the long-ago view of a sleepy, non-growing Waco, take another look. Greater Waco is now home to more than 14,000 companies. And since 2006, it has seen more than **\$1.3 billion in new industrial capital investments and \$596 million in riverfront and downtown development.** Quite a change in a dozen years.

**As long as our sweet tooth is showing, we gotta tell you about what happened at Twinkie-maker Hostess, following the passage of the new Tax Cuts and Jobs Act. In addition to a \$1,250 bonus, Hostess employees got a year's supply of Hostess products, in the form of a free treat "product of the week."**

**Dr. Louis Overholster** "accidentally" buys candy his wife doesn't like so he doesn't have to share.

Sincerely,



Editor/Publisher