

THE

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Dear Client:

Much has been written about Austin's Super Suburbs such as Round Rock and Cedar Park, in Williamson County, and rightly so. But what about the suburbs of uniquely-named Bee Cave and appropriately-named Lakeway *inside* Travis County? A lot is happening there.

The cities in Williamson County north of Austin have been the focus of national attention as their growth and economic numbers have been off the charts – among the tops in the nation – for some time. But largely overlooked, *inside* Travis County, is what's happening just west of Austin in the hill country and lake areas. **This is short-sighted because the change has been dramatic and it is continuing at a breakneck pace.**

Just a couple of decades ago Lakeway was primarily a **golf course-oriented retirement community on Lake Travis that also contained a number of second homes owned by Houstonians.** In fact, the community was founded by Houston investor/developers back in the 1950s along two-lane roads connecting Austin.

What a difference upgraded roads and one of the best school systems in the state can make in a highly-desirable location. Homes, many of them purchased by families with school-age children, are sprouting up at a rat-a-tat pace. Jobs have been created by a rash of retail shops. And a sign that the accelerated growth pace will continue: a large, full-service hospital – **the Lakeway Regional Medical Center** – opened for business this year on RR620.

Formerly just a wide spot in the road, sharing a boundary with Lakeway, **the city of Bee Cave is home to the highly popular Hill Country Galleria,** a retail center with expansive office space and adjacent apartments at the intersection of Hwy71 and RR620. The new center survived a bankruptcy, then took off like a rocket filling up most of its space and adding large stand-alone operations such as an expansive **Whole Foods Market** and **St. David's Emergency Care Center.**

Area residents, held together by the exemplary-rated **Lake Travis Independent School District,** flow between the two communities without regard to boundaries, creating a very viable economic area. Yeah, but isn't it "a long way out there"? Nope. Not with the expanded roadway systems. It is 20-25 minutes to downtown and, importantly, only 30 minutes max (with few traffic signals) to the airport on the opposite edge of Travis County.

Here in the midst of the two major political conventions, the presidential campaign is moving into high gear, but the two candidates will not spend much time talking directly to Texas voters. They both consider the Lone Star State safely in the GOP column. As a result, the role of the media becomes even more important for you. So, what about media *bias*?

Surveys show Americans feel a media bias has been present for some time. But, many in the media say they try to be fair in their coverage. And media defenders point to countless examples where “both sides” are quoted on any given issue. **However, over the years a “bias” seems to have become more engrained in certain media outlets.**

We’re not talking about the media outlets that flaunt their bias – such as **Rachel Maddow** on MSNBC (on the left) or **Sean Hannity** on FOX News (on the right), though both present alternative views on occasion. Nor are we talking about such conservative publications as *American Spectator* or, closer to home, the liberal *Texas Observer*. **We’re talking about what once were bastions of quality, straight-forward journalism – such as *The New York Times*.**

For decades *The NYTimes*, was the world’s gold standard for journalism. **It devoted major resources to support a large staff of qualified journalists and opened news bureaus around the world, and had correspondents in cities in the US outside of NYC, including Austin, Houston, etc.** It was so powerful and respected that other major news organizations checked the *Times* each morning for guidance on what was happening, and often times it dictated their own coverage. (We’ll have more on that in just a few minutes.)

The New York Times is still influential and its reach is massive. **Its stories are syndicated to news organizations all across the US.** For example, many stories you read in the *Austin American-Statesman* are from the *Times*. And the *Times* can be thrown on your doorstep each morning in Austin. Its websites and reporter’s blogs are read worldwide. So what the *Times* covers and reports is a major factor in driving public opinion.

Well, last Saturday there was a revelation by a *Times* respected insider that created a bit of a journalistic furor. After serving two years as an independent Public Editor of the *Times* (essentially the paper’s ombudsman), **Arthur Brisbane** took the paper to task saying that its “**political and cultural progressivism ... virtually bleeds through the fabric of *The Times*.**”

Even though Brisbane devoted a whole column supporting his observations, the current executive editor of *The Times*, **Jill Abramson**, immediately said she disagrees with Brisbane’s “sweeping conclusions,” though she admitted that “the way we view an issue in New York is not necessarily the way it is viewed in the rest of the country or the world.”

Therein lies the rub. If *The Times*’ coverage is politically-biased based toward its liberal hometown, its national and world role presents a major conundrum. See the next item for more.

The New York Times reporters approached some liberal issues like gay marriage and the Occupy movement “more like causes than news subjects,” wrote the newspaper’s Public Editor Saturday (not an observation of a political critic of the newspaper).

Public Editor **Arthur Brisbane** spent the past two years inside the *Times* as the independent ombudsman, **carefully selected by the Times management because of his journalistic integrity and ethics**. His critique carries so much more weight than criticism from some politician whose ox was gored by a news story in *The New York Times*.

The bias has its price. Despite the support of *Times*’ devotees, **much of the public no longer believes in the newspaper**, reports **Liz Peek**, a financial columnist. According to a just-released Pew Research Center poll, the legendary newspaper was voted less “believable” than ABC News, *The Wall Street Journal*, CNN, NBC News and CBS News.

And those organizations did not fare too well either. **The average believability of 13 news organizations reviewed was 56%. The Times came in at 49%**. And, since 2010, *The Times* rating dropped from 58 to 49. By comparison, *The Wall Street Journal* came in at 58%.

The reach and influence of the Times’ reporting cannot be minimized. As reported in the previous story, news items from the *Times* can be found in a number of nooks and crannies where news reporting is sourced. And even though the newspaper’s profitability remains in doubt – Brisbane said the last quarter saw a loss of \$88 million – **its reach and influence is expanding into the international, video, social and mobile spheres**.

“For journalists at *The Times*, the opportunity to **flood the web with content is a compelling one in its own right**,” Brisbane wrote. “The emphasis on social and mobile media means that *Times* material appears far from the home base of NYTimes.com. For journalists, this presents tantalizing new opportunities to build a personal audience. **The result is an oddly disaggregated New York Times of hyper-engaged journalists building their own brands, and company content flung willy-nilly into the ether.**”

Obviously, this means the “**New York view on issues**” will be more readily available in the **Austin area** – and around the world – as the presidential campaign unfolds over the next two months and on into the future. And this will have an impact on public opinion. Interestingly, it’s happening when *The New York Times* is suffering from a rapidly-eroding believability.

In many ways, this could be attributed to what the *Times*’ own Public Editor calls the “political and cultural progressivism (that) virtually bleeds through the fabric of *The Times*.” **It’s a media bias the public is recognizing**. The public also attributes this bias to other media outlets. But in the *NYTimes* case, it has been called out by one of its own.

Most companies wanting to locate in Austin don't need big, 100-acre tracts. In fact, the bulk of them want to lease. So, if you own 109 acres with nine buildings, what do you do? Sell it to an entity that will upgrade it and market it piecemeal.

There *are* those companies that want large sites. Recently, Apple gobbled up acreage near its existing facility. Back in the day, before “high” and “tech” were used together in the same sentence in Austin, **IBM bought a large tract of land in North Austin to build a plant that manufactured Selectric typewriters.** There were others (3M and TI come to mind) that grabbed lots of land in North Austin. But over the past 30-40 years, those large transactions have been few and far between.

A couple of decades ago, **Motorola set up shop in Austin on a big chunk of land, locating a major operation at 3501 Ed Bluestein Blvd.** Over the years, Motorola morphed into Freescale Semiconductor, that later downsized. Freescale ended up holding land and buildings that were non-producing assets for years. What to do?

Along came JLM Financial Investments LLC, a locally-owned private equity firm, that partnered with **Manny Farahani** and **Peter Barlin** to form SW Growth Partners. **The partners bought 109 acres that included nine buildings with nearly a million square feet of space from Freescale.** Freescale will continue to operate its wafer manufacturing facility adjacent to the purchased property.

The partnership now plans to market the large-scale asset in pieces to smaller high tech companies. “We are very optimistic about the current direction of the office and warehouse markets in Austin,” said **Jeff Ezell**, JLM’s managing director. Ezell said they will offer a high quality and low cost product in an excellent location. Austin Chamber officials agree, saying it should enhance chances of landing more deals.

Dr. Louis Overholster wonders why his medical profession claims the same candy bar that rots a child’s teeth is a wonderful source of quick energy for adults.

Sincerely



Editor/Publisher