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S.A.L.E.: Steve Adler's Land Empire

Mayor's Extensive Property Interests Pose Ethical Challenges to Conducting City Business

Austin, Texas IndyAustin SPAC released information today about how Austin's First Family made its fortune from Mayor Adler's real-estate [law firm](#) (to which he retains major financial ties)¹ and his wife's commercial property-management firm: [DT Land Group, Inc.](#) Mayor Adler's personal financial disclosures covering 2017 and early 2018 reveal that he and his wife, Diane Land, had financial interests tied to at least 71 properties in Travis, Williamson and Hays Counties. Those properties are currently assessed at \$319 million (see this [map](#)). These extensive property interests pose ethical challenges to conducting such city business as deciding where to increase zoning densities or where to spend transportation bonds, to name just a few issues.

"I am very disappointed that Austin City Hall has met the very definition of insanity as defined by Einstein – they keep doing the same thing expecting a different result," said Jim Duncan, a nationally known urban planner who became frustrated with the City's attempted rewrite known as CodeNEXT ([his analysis of it here](#)).

Mayor Adler's family owns three local properties worth \$7 million, led by their \$4 million dual-condo homestead in the [W Austin Hotel](#) (personal properties [mapped](#) in green). The family has business interests in companies that own 12 local properties assessed at \$151 million (shown in blue). Finally, the mayor reported his wife's top property clients, who own 56 local properties assessed at \$161 million (shown in red). Having a mayoral spouse did not hurt DT Land Group's business. As a mayoral candidate, Adler disclosed 16 of his wife's clients in 2013. In his latest year-end disclosure covering 2017, that list expanded to 27 clients--an increase of 69 percent over four years. In his latest disclosure, covering the first half of this election year, Adler reported that his wife *dropped* eight clients.

"As the entire region hunkers down for expected floods, Austin voters should consider the real estate industry's flood of influence at City Hall," said IndyAustin co-founder Linda Curtis, who was displaced downriver from Austin to Bastrop. "Many have argued that Austin should not be just one big real estate play. But it's up to the voters to hold Adler to his forgotten 2014 promise – to be a one-term mayor."

The [map](#) of local Adler-related properties, allows users to zoom in and out of a neighborhood and click on a property to find such details as its address, owner and value. Take the map for a test drive and let us know if you find anything interesting!

The map is based on three main types of public information:

1. Mayor Adler's personal financial disclosures covering 2017 and the first half of 2018 (there are links to download these PDF documents on this [website](#));
2. Central appraisal district data from [Hays](#), [Travis](#) and [Williamson](#) Counties; and
3. Texas Secretary of State business filings disclosing who controls which business entities (much of which can be viewed via [corporationwiki.com](#)).

Big real estate companies often create separate subsidiaries to control each major property. The vast majority of the business-owned properties on this map have clear ties to the business entities in which the First Family reported an interest. In a murkier exception, Adler reports ongoing interests over the years in Riverside Resources Holdings I, LP and Riverside Resources Holdings II, LP.² Those entities clearly are [tied](#) to local developer [Riverside Resources Corp.](#) Yet it's difficult to tell which Riverside projects on the map directly involved mayoral money.

To grasp the sometimes complex ties between Adler's interests and city business, consider the [former chip plants](#) converted into an office complex at 5202 and 5204 E. Ben White. That property is owned by Riverside's [5204 Ben White 2017, LP](#). Over the past year, Austin's City Council voted four times to approve a string of seven-year city leases for that property worth up to \$37 million. Mayor Adler publicly recused himself from the [first](#) of those votes, citing "an interest in the property."³ But he supported three subsequent council votes to lease much more of that property.

Council Date	Agenda Item	Max. 7-Year Lease Value	Beneficiary Department	Sq. Ft.	Adler Recused?	Votes
9/28/17	27	\$10,936,187	Energy; Dev. Svcs.	59,494	Y	9-0
6/14/18	28	\$20,154,161	Code; EcoDev; Human Res.	102,301	N	9-2
6/28/18	34	\$3,870,620	Corridor Program Ofc	20,105	N	11-0
8/30/18	17	\$1,900,281	Public Health	9,868	N	11-0
		\$36,861,249	TOTALS	191,768		

Public records suggest that Adler-backed Riverside Resources Holdings II, LP loaned \$10 million to current city landlord Ben White 2017, LP shortly before the first lease vote. The borrower repaid that Adler-backed entity in January 2018. That timing may explain why Adler recused himself from the first lease vote--but not the three subsequent ones.

The four Riverside lease votes prompted little discussion. Council Members Jimmy Flannigan and Allison Alter voted 'No' on the June 14 vote, without explaining their opposition. In a work session two days before the August 30 vote, Member Kathie Tovo suggested that it might be smarter to buy office space than pay a seven-year lease. Before that vote Flannigan questioned if the city's need for that additional space was as "unanticipated" as represented. Yet the council passed that lease unanimously.

There was a time when a mayoral recusal tied to \$37 million in city lease contracts might have prompted at least one local media investigation. Not in today's Austin. Clearly, Adler can face ethical challenges juggling city business with his extensive property interests. Yet citizens, council members and local media largely ignored Adler's property interests throughout his first term. As Adler seeks reelection, it's time to belatedly put these property interests on the [map](#).

¹ He reported receiving \$400,000 of interest and capital gains income from Barron & Adler in 2017 (six times Austin's median
² Adler's financial disclosure covering 2017 reports that he and his wife had business interests in Riverside Resources I, LP and Riverside Resources II, LP (their interest in the first entity dates back to Adler's first disclosure covering 2013). Adler also reported that Riverside Resources Holdings I paid him partnership income of up to \$10,000 in 2017. His updated disclosure covering the first half of 2018 cites no changes in his Riverside holdings.
³ See 11:40 into the consent agenda of this meeting [video](#).