



JOURNAL PROFILE

Lea Willingham manages some of the area's top shopping centers — plus four kids. **PAGE 17**

THIS WEEK'S LISTS

Check out the area's top developers and property management firms. **PAGES 14, 16**



Even the newcomers take pause at all the changes in this popular downtown niche.

Changes pour onto Rainey St.

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As apartments continue to go up in the Rainey Street district and the city mulls more infrastructural improvements, residents and bar owners there have found themselves at the cusp of another shift for the area.

For the bar owners, the new apartments that have gone up are a mixed blessing. Each new building puts more customers within walking distance, while new sidewalks and retail shops would increase Rainey Street's draw. Still, some worry that the district could outgrow

SEE RAINEY, P26

Dell goes after exec imposter

Mystery LinkedIn member hurting co. reputation abroad

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Dell Inc. is seeking the identity of a person it alleges falsely claimed to be a Dell manager in a LinkedIn profile and then used that profile as a platform to tarnish the company's reputation as an employer.

The Round Rock-based company filed an

SEE FAKE, P26

Dynamic duo on the move

Tom Stacy, Steve LeBlanc are ready to snap up office buildings in Texas

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CapRidge Partners — the investment vehicle created by two Austin real estate powerhouses — secured its first major acquisition before the end of the year, an office building in far Northwest Austin.

Tom Stacy, a longtime Austin commercial property owner, and Steve LeBlanc, the former senior managing director of private markets at the Teacher Retirement System of Texas, are the brains behind CapRidge Partners.

The company raises money directly from high-net worth individuals and institutional investors. It expects to acquire about \$75 million to \$85 million in assets with its first fund and \$200 million to \$300

million via subsequent funds during the next two to four years. The primary target properties are office buildings in the four major Texas markets — Austin, San Antonio, Dallas and Houston.

The first of many

The first purchase was Pecan Park I, a 136,444-square-foot office property near Lakeline Mall at 10800 Pecan Park Blvd. While price was not disclosed, LeBlanc said CapRidge Partners is generally interested in properties priced from \$10 million to \$50 million, which have the potential for adding value.

Pecan Park I was sold by Dallas-based Crow Family Holdings, which built the offices in 2009 and sold it without plac-

ing it on the market.

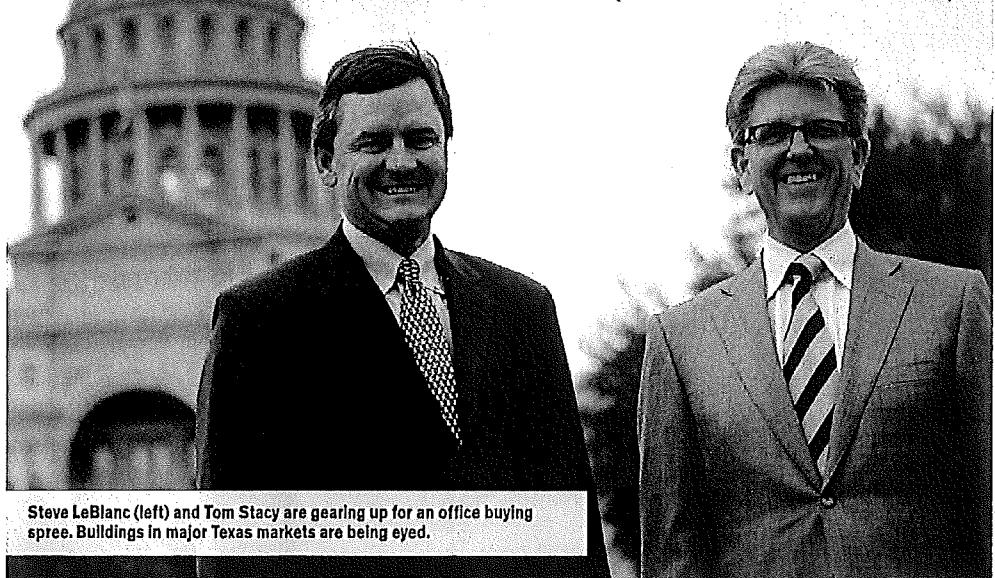
"I had a relationship with the seller, and we were able to buy it before it hit the market," LeBlanc said.

At closing, the property was 70 percent occupied, he said. In this case, the easy way to add value will be increasing the occupancy rate.

"CapRidge should be in a position to stabilize the project and keep it leased in the strong Northwest submarket," said Todd Mills, executive vice president of office investment sales for CBRE Group Inc. [read more about the hot submarket on page 12].

Helen Jobes, regional director of marketing and investment sales for Kennedy

SEE DUO, P26



Steve LeBlanc (left) and Tom Stacy are gearing up for an office buying spree. Buildings in major Texas markets are being eyed.

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ABJ-E: Kinnsar Software can't stop growing. **PAGE 10**

ALL WEB LEADS



SPOTLIGHT: Find out why this CEO loves working in Northwest Austin. **PAGE 12**

DUO: Company doesn't just buy office buildings, it's able to lease and manage them

FROM PAGE 1

Wilson, agrees that the purchase makes sense.

"It's a new building that's easily accessible from [State Highway] 183 and [FM] 620. That market has really turned around in the last couple of years. It's hot," Jobs said.

A second building, Pecan Park II, at 10700 Pecan Park Blvd. is part of the same business complex. Crow Family Holdings sold that property last year to homebuilder D.R. Horton Inc. (NYSE: DHI) for its Austin headquarters. Real Capital Analytics said the Fort Worth-based homebuilder paid \$13.7 million for that building, which was completely unoccupied. In addition to Pecan Park I, CapRidge Partners has a second property under

contract in Houston, Stacy said.

A dynamic duo

CapRidge will lease and manage its acquisitions through the T. Stacy & Associates subsidiary.

"We think that's our secret sauce — being able to lease and manage these properties," Stacy said.

Several local real estate investment brokers said the dynamic duo of Stacy and LeBlanc doesn't really need any secret sauce.

"They are two of the most highly regarded real estate veterans in Austin and will certainly be a powerful combined force," Mills said.

Jeff Coddington, partner of Oxford Com-

mercial's capital markets group, said: "Tom and Steve each have considerable talents in the commercial real estate field, and CapRidge will, by extension, be a formidable presence in its realm."

Jobs said each brings a different skill set to bear, which will give them a competitive advantage when multiple offers are on the table.

"And they have a lot of ins, a lot of contacts and relationships, especially in this market," Jobs said.

LeBlanc has numerous institutional contacts from his days as the former CEO of Summit Properties, a \$2 billion real estate investment trust based in Charlotte, N.C. His sphere of influence has remained extensive since moving to

Texas. He's a frequent guest and guest host on numerous cable network business and financial programs, including Squawk Box, Street Smarts, Money Moves and Countdown to the Closing Bell.

Robert Gaston, senior vice president and city leader at Transwestern, said LeBlanc's national profile is the perfect foil for Stacy's longstanding local influence. They won't have a problem capturing the attention and respect of sellers.

"Sellers will always prefer new ownership with experience at the institutional level, access to capital and a history of closing. Tom and Steve have earned that reputation," Gaston said.

MORE ONLINE:

Stacy already owns a ton of property. See what he has on our website.

RAINEY: High rises starting to mingle with old homes, renovated night spots

FROM PAGE 1

its charm. Meanwhile, the city's Planning Commission is considering a proposal that would try to slow the pace of growth in that area by requiring new bars there to meet more regulations.

Michael Icenhauer, who owns Icenhauer's bar, said the area's expansion is good for businesses such as his. Icenhauer's saw revenue jump 30 percent last year, and more of the same is expected.

"It's definitely more of a district now than it was last year, with the addition of three new bars," he said. "People will bounce around the street instead of going to two bars and leaving."

The half-mile long Rainey Street district sits at the intersection of a rapidly gentrifying urban core and a historically working-class Latino neighborhood. In 2005, the area was rezoned Central Business District, and the way was clear for developers to start building high-rise apartments. Since 2009, the area has become known for a collection of boutique bars that have started serving drinks in renovated bungalows shaded by 30-story apartment complexes.

Many now worry, however, that the Rainey Street atmosphere may be lost amid the ongoing construction.

"There's a character with those bungalows," said bar owner Bridget Dunlap, who opened Rainey Street's first bar in a renovated bungalow a few years ago. "Everyone knows what a midrise looks like."

She's concerned that more construction may hurt the businesses on Rainey now.

She is among the builders — her new Container Bar is scheduled to open this year.

Icenhauer also said he was concerned about a shortage of parking when some of the larger construction projects begin.

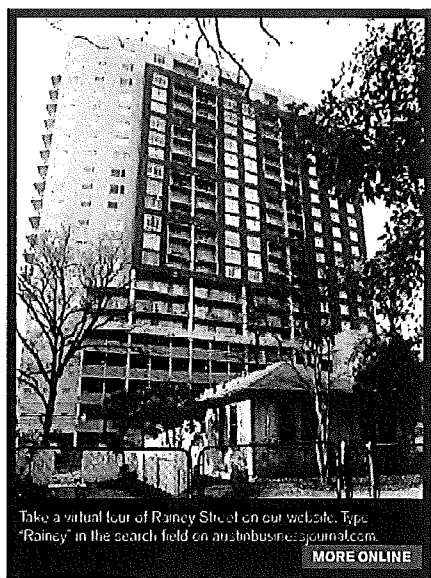
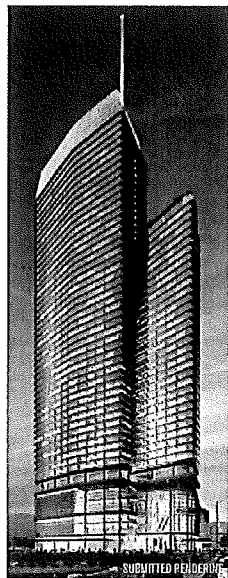
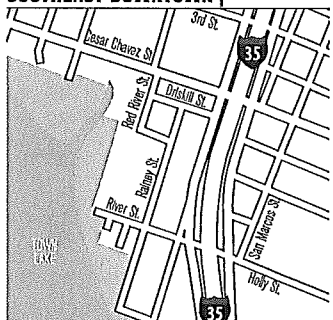
For example, the \$350 million Fairmont Austin hotel will eventually have 50 stories with 1,000 rooms at the corner of Cesar Chavez and Red River streets, across from the Rainey Street district.

The pace of growth has the few remaining residents unsettled as well. Many have voiced concern about the lack of parking and growing number of nighttime visitors.

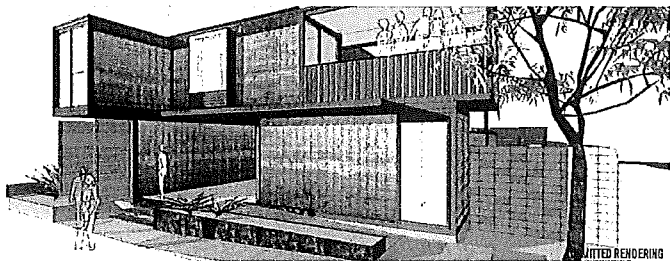
The Austin City Council will have the final say in any new regulations, but for now, nobody is certain about Rainey Street's future.

"Just like any other change," Dunlap said, "you just roll with it and hope it works out."

SOUTHEAST DOWNTOWN



Take a virtual tour of Rainey Street on our website. Type "Rainey" in the search field on austinbusinessjournal.com. MORE ONLINE



The Fairmont, top left, is one of a few skyscrapers that will cast a shadow on Rainey Street. The Container Bar, shown in the black-and-white rendering, should take shape soon.

FAKE: Dell alleges that its hiring image in Middle East harmed due to identity theft

FROM PAGE 1

October petition in Travis County District Court to depose LinkedIn (NYSE: LNKD) officials to uncover the identity of the member who has been posing as a Dell manager in Saudi Arabia and posting comments that reflect badly on the company.

For example: the LinkedIn member responded to one job posting inquiry by writing, "Sorry, local management prefer Egyptians for this role," according to a 28-page court filing.

Dell (Nasdaq: DELL), which employs an estimated 12,000 workers in Central Texas, indicates that such statements undermine the company's diversity and equal opportunity policies.

LinkedIn officials haven't objected to providing such information to Dell lawyers, and Dell submitted 21 questions to enable it to uncover the LinkedIn member.

The fraudulent Dell executive's online comments were quickly spread across the Middle East via Twitter.

Dell spokesman David Frink declined to comment on the petition, saying the company considers the matter "confidential."

Dell, the No. 3 computer maker in the world, has readily spent plenty of money to defend its image as an inclusive and worker-friendly company.

California-based LinkedIn, which was founded in 2003, claims more than 187 million members worldwide. Company spokeswoman Erin O'Harra declined to

provide a company executive to comment on the Dell petition.

The social network — like Facebook and Twitter — is undoubtedly constantly baraged by allegations of identity theft. To rectify wrongdoings, it often takes court action to get LinkedIn to oblige with requests for personal data — even for alleged identity thieves.

In December, for instance, a Pittsburgh-area man filed a federal lawsuit claiming that LinkedIn must disclose who posted his personal contact information on the website without his permission. LinkedIn subsequently removed the page in dispute but won't turn over the identity of its creator without a court order, The Associated Press reported.

"We don't disclose information shared

with us by individual members except in limited circumstances, including when it is reasonably necessary to comply with legal process, or to respond to claims of a violation of the rights of third parties," O'Harra said.

In the Dell case, the company claims the LinkedIn member committed identity theft of a person named Bassem Elghobary to post job listings. After receiving responses to the job listings, the member posted false statements about Dell's hiring practices on Twitter, which harmed Dell's reputation in the Middle East.

O'Harra said LinkedIn doesn't provide the frequency of requests for member identification data or how often it is provided to such requesters.