BEING TEXAN

Fredericksburg Is the New Aspen

The jewel of the Hill Country, my hometown, is lovelier than ever. I just wish more of the natives could afford to stick around and enjoy it. Scenes from a town transformed.

By John Davidson

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Boot Ranch is a residential golf community outside Fredericksburg. Photograph by Nick Simonite

This article is part of our February 2020 "Small Towns, Big Money" package.

Read more here.

It's hot in Fredericksburg. The afternoon sun is intense, but the evenings cool off, just as I recall from my childhood here in the fifties and sixties. I'm visiting because I keep hearing how much Fredericksburg has changed and how much money is sloshing through town these days. An old friend who sells real estate called recently to say I had to come out from Austin, that I wouldn't believe what was happening. Another friend thinks Fredericksburg is on the brink of a crisis, at least from the perspective of many longtime residents. Property prices are soaring. "If my taxes go up, I might not survive," he says. "I tell you, I'm scared."

I'm here to try to reconcile that Fredericksburg with the one I remember—a small <u>Hill Country</u> town with deep German roots, where everyone knew their neighbors and felt like they belonged. We looked forward to bluebonnets in the spring and peaches in the summer. We heard roosters in the morning and church bells throughout the day. Everyone went to the parades and the county fair. It felt like a happy place.

The town was solidly middle-class, and those who did have more were generally frugal and discreet. Today the middle class is being displaced. At the same time, the town is experiencing an unprecedented boom. The proliferation of wineries in the surrounding region is changing both the physical and cultural landscape. Members of **Boot Ranch**, a residential golf community just outside town, come and go in private jets. Heirs to a California-based media fortune are buying up properties.

At nine o'clock on a weekday morning, there's no traffic on Main Street. The mayor, Linda Langerhans, is waiting for me at city hall. Langerhans, whom I haven't seen since high school, looks sporty in white sneakers, khakis, and a lightweight black sweater. In her fourteenth year as mayor (she served four 2-year terms in the nineties and is now completing another set of three), she's dealing with the problems that come with rich people driving up the cost of living. "We are one of the wealthiest [small] towns in the state, but half of our students are at poverty level," she tells me. "Real estate is so expensive that teachers, nurses, and policemen can't afford to live here." The Hill Country Memorial Hospital, she continues, is Fredericksburg's biggest employer, but a third of its seven hundred employees live outside the county, and the hospital is usually thirty to fifty staffers short. The schools have trouble hiring. "In three of [Fredericksburg's] old neighborhoods, only one person lives there," Langerhans says. "The rest of the houses are short-term rentals or B&B's."

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In 2015 the market research firm Phoenix Marketing International released a study that found that Fredericksburg had more millionaires per capita than any other city in Texas. I assumed at first that the statistic reflected property values, but it was based on liquidity; real estate and retirement accounts weren't counted in the study.

"I'm fifth-generation, and my husband is sixth," Langerhans says. "There's no question that Fredericksburg is a better place because of the people with money who have come here and done things for the community. We have two new basketball courts, better playground equipment, and baseball fields." As property values have climbed, so has property-tax revenue. Historic structures on Main Street have been protected by strong zoning rules. National chains like Starbucks and McDonalds have been kept at bay from the street. But, still, Langerhans worries about how the current influx of wealth will affect Fredericksburg's small-town feel.

"In the eighties, when retirees started moving here, they wanted to be part of the community. They started art galleries and volunteered for theater groups and community organizations," she tells me. "It was totally different."



A view of Main Street, looking west, in Fredericksburg. Photograph by Nick Simonite

Emma & Ollie is a cafe and bakery run by Rebecca Rather and three other women, where everything is done right. Bees and butterflies hover over the flowers in front of the porch. The windows are big and the ceilings high in the old limestone house a few blocks south of Main Street. Rather, a tall woman with brown hair and luminous brown eyes, moved to Fredericksburg from Austin twenty years ago, having built a national reputation as a pastry chef, restaurateur, and cookbook author.

Rather has seen downtown Fredericksburg cycle through different retail phases since she arrived. For a while, antique shops were the thing, and then craft malls. Now it's wine-tasting rooms—satellite operations for nearby wineries. On one hand, all the resulting wine tourism has been great for businesses like Rather's. On the other hand, "some people come here just to get drunk," she says. "It's getting harder to live in a town with so many parties."

With 1.2 million visitors a year, the Fredericksburg region is the most popular wine-tasting destination in Texas. Between here and Johnson City, dozens of wineries and wine-tasting rooms have popped up in recent years, along with two breweries and three distilleries. On weekends, a fleet of white vans hauls visitors out for wine tours. Highway 290 east of town is now referred to as "the 290 Wine Corridor." (In California's Napa Valley, State Route 29 is lined with celebrated vineyards and wineries.)

While the proliferation of wine-tasting rooms has drawn some rowdy bachelorette parties to town, it is also part of a distinct upscaling that has taken place all along Main Street and the surrounding blocks. Rather's friends Tim and Carol Bolton rent 25,000 square feet in the old Woerner Warehouse, a couple of blocks south of Main on Lincoln Street, that they've filled with rustic French furniture, farm tables, and antiques aimed at collectors and designers. Directly across the street, the former Fredericksburg Laundry has been repurposed as Blackchalk Home and Laundry, a gift and homewares boutique. And north of Main on Austin Street, John Washburne has established a burgeoning fine-dining district with Otto's German Bistro and La Bergerie, a wine bar that cures its own charcuterie. Washburne's mother, Leslie, owns the Hoffman Haus, a multicottage inn and wedding venue that's aimed, its website says, at "discerning guests."

So far, those contrasting versions of the new Fredericksburg coexist more or less naturally—though the fear among Rather and her friends is that Main Street could transform into something like Austin's Sixth Street, with visitors reeling from bar to bar. Sitting outside at Emma & Ollie, with Rather in her white chef's coat, I see that possibility as remote. Then again, I learn later that the Fredericksburg police have in recent years coped with groups of drunken women who can't remember where they are staying.



Dozens of wineries line Highway 290 east of Fredericksburg. Photograph by Nick Simonite

From Emma & Ollie, it's only a three-mile drive to the Gillespie County Airport, where a World War II-era Spitfire fighter plane roars down the runway as I pull up. Admiral Chester Nimitz, a Fredericksburg native, was the commander in chief of the U.S. Pacific Fleet during that war, and the city has long celebrated his legacy. Downtown, the National Museum of the Pacific War attracts veterans and history buffs. Vintage aircraft from the Commemorative Air Force, in Midland, and the Collings Foundation, in Houston, regularly fly into the airport.

As the Spitfire takes off, something else catches my eye. A private black-and-white Embraer business jet waits on the tarmac in front of a small terminal run by Fredericksburg FBO, a company that provides concierge services for pilots and passengers. Ethan Crane, FBO's general manager, says that the jet's owners commute from Fredericksburg to Northern Mexico, where they own factories.

According to Crane, ten privately owned jets are based in Fredericksburg. Many other folks who fly in and out own shares of aircraft through NetJets or Jetfly or have their own turboprops, if not actual jets. The Beechcraft King Air is the local favorite among private aircraft, Crane says. The Gulfstream G550, which is 96 feet long and can carry a dozen passengers, is the biggest jet that can land at the airport. Crane says that Boot Ranch accounts for much of their traffic; club members fly in for the weekend with eight or ten guests. The luggage for a single such party—golf clubs, shotguns, fly rods—can fill two Chevy Suburbans.

"We've seen six jets today, and we have twenty to thirty a week," Crane tells me. "In 2006 we sold one-hundred-and-four-thousand gallons of fuel, and last year we sold three-hundred-and-sixty-thousand gallons."

One moment I'm standing on the front porch of an old Fredericksburg rock house, the next I'm stepping into what feels like an office in Austin or Dallas. Everything looks glamorous, sleek, new. The receptionist speaks with a clipped British accent. Vaguely disoriented, I feel a gravitational force pulling me past desks, through a long conference room, and into the office of Tammy Pack, the owner of <u>Absolute Charm</u>, the town's dominant real estate and B&B rental agency.

She's wearing Valentino Rockstud heels and a navy Lilly Pulitzer dress. A big white Persian cat lies curled up in a bowl on her desk. "That's our princess," she says with a drawl as the cat begins to stretch and Tammy's husband, Wes, strolls in, looking natty in a blue plaid jacket.

Tammy settles in behind her expansive white desk. Around town she is considered a mastermind of marketing, the person who more than anyone is shaping and selling the dream of Fredericksburg as the idyllic Hill Country village. She pulls up her website, fredericksburgtexas-online.com, on a big monitor, and I see an aerial view of downtown that pans slowly around, the buildings at just the right distance to look like a Disney set. "I bought the site because it comes up [in Google searches] right after the official Fredericksburg website," she says. "I had to redo it completely, but I'm the first thing people see."

The site has the feel of a wedding magazine—white, gauzy, wholesome—and its dining, drinking, and shopping recommendations come with custom photography of plates of food styled just so and couples holding hands in vineyards. (Pack employs a staff photographer.) This is Fredericksburg the lifestyle brand. The site's real purpose, though, is to drive traffic to her primary business, Absolute Charm.

The first house that pops up on Absolute Charm's website one day recently looks like a chalet and lists for \$13.9 million. It boasts twelve fireplaces and an infinity pool. It's one of dozens of million-dollar-plus homes listed on the site. "It's an expensive town, no doubt, and I get a lot of blame locally," she says.

Pack grew up in Marshall, in East Texas, and earned a law degree from the University of Texas at Austin. She moved to Fredericksburg in 1996 because she spotted an opportunity for her entrepreneurial ambitions. First up was a quilt shop. She launched Absolute Charm in 2001 as a single B&B and then in 2007 expanded as a booking service for other vacation rentals and B&B's. She expanded into real estate sales in 2015. Most of her customers are looking for investment properties or second homes. They come from Austin, Houston, and Dallas, and compared to what they see in their neighborhoods at home, the prices in Fredericksburg aren't all that shocking.

I ask how she imagines the future of Frederick sburg.

"I tell people it's the Aspen of Texas," she says.

"And what do you think of Boot Ranch? That's a new direction for Fredericksburg."

"We just joined, and we love it." Nonresidential memberships cost \$100,000 up front, she notes, and, as a rule, only one becomes available each year. "The members are shockingly nice, mostly self-made people. Wes plays golf, and I'll try to learn."

Leigh Lacy, the former director of member services at Boot Ranch and part of the original team that started the club, has offered to show me around. The entrance is more discreet than deluxe, a white stucco guardhouse without even a gate. We pass through and onto a narrow road that winds through the low, stony hills. We come to a spring-fed lake and a waterfall that tumbles into a stream, and then we approach the golf course.

Boot Ranch was the dream of Hal Sutton, a major championship winner on the PGA Tour who hails from Shreveport but loves the Hill Country; he imagined starting a residential club that was somewhat remote but still accessible from Texas's major cities. The club is an hour and a half from four million Texans. The golf course was completed in 2006, but the development had a rocky start. It was bought out of foreclosure by the investment bank Lehman Brothers (which later collapsed in the largest bankruptcy in U.S. history). It is now owned by Terra Verde, a real estate private equity company with offices outside Dallas and Nashville that specializes in buying distressed assets and developing them, in partnership with another private equity group named Wheelock Street Capital, based in Greenwich, Connecticut.

The dark and massive silhouette of a structure on a distant hilltop makes me gasp. "That must be the clubhouse," I say.

"No, it's one of the homes," Lacy answers.

The larger houses run to 12,000 square feet, and some have live-in staff. Property management is a booming business in Fredericksburg. In the beginning, the club offered "estate-size lots" (ten to twelve acres) for "estate living." But the club now also offers two-acre lots, and some houses measure a relatively cozy 3,200 square feet.

The original two-thousand-acre property is half developed. The club has 278 members, a third of whom are full-time residents, a third weekenders, and a third nonresidentials, like Tammy and Wes Pack. To join, you have to be vetted and voted upon. "We are creating a family here," the general manager, Emil Hale, tells me later by phone.

Lacy shows me the clubhouse complex, whose grounds include four pools, a spa, restaurant, bar, and wine cellar. She drives me around, up and down hills, so that I can take in the different views. Everything is built in the traditional Fredericksburg style—limestone, casement windows, standing-seam tin roofs. The scale in Fredericksburg was always small, the houses modest, so it's strange to see them blown up to such proportions.

One morning in Fredericksburg, I learn that Bunny Becker has just died. She and her husband, Richard, founded the acclaimed Becker Vineyards 28 years ago and were the first serious winemakers in the area. That afternoon, I drive east on 290, the Wine Corridor. Hillsides of green trellised vines line the road, and small blue-and-white TxDOT signs announce wineries at regular intervals. Some of the tasting rooms are understated, farmhouses with dirt parking lots. Some are out of sight, off the road. And some trumpet themselves like theme-park rides vying for attention. A Tuscan-style villa at Grape Creek Vineyards is surrounded by rows of Italian cypress and features a tower with a terra-cotta roof.

Beyond the tiny town of <u>Stonewall</u>, across the road from the <u>Hye Market</u>, I turn in at <u>William Chris Vineyards</u>. I'd met co-owner William "Bill" Blackmon by chance while dining at the bar at Otto's, which is popular with the wine crowd. He and Chris Brundrett opened William Chris in 2008. It's harvest time, and Blackmon looks happy, his face ruddy, as if he just came off a ski slope. He walks me over to a metal building where rock music is blaring and a forklift driver is moving big containers of grapes. The vineyard employs sixty and produces about 30,000 cases of wine each year, a modest-sized operation for the region. Blackmon started out as a cotton farmer near Lubbock and still thinks of himself as a farmer. "Wine is made in the field," he says as we walk to the property's original farmhouse, where visitors are tasting wines in several different rooms. As we sample a Pétillant Naturel sparkling rosé, he marvels at how much junk they had to pull out of the house when they converted it. The crawl space had been filled with old shoes, and they discovered a small, overgrown family cemetery on the property.

Following in the footsteps of Bunny and Richard Becker, William Chris is one of several Fredericksburg-area wineries that are working hard to establish the region as a premier wine destination, not just a party-bus circuit. As part of that effort, Blackmon and Brundrett are advocating for a movement that would require wines labeled "Made in Texas" to use only Texas grapes. Wine connoisseurs believe that wine should reflect its terroir—the soil conditions, climate, and topography in which the grapes are grown. Notably, the terroir of most of the wine produced around Fredericksburg extends far beyond the Hill Country; that's because William Chris and most wineries in the area supplement what they grow here with grapes from the High Plains around Lubbock, where the conditions are more favorable. That area—flat, dry, and largely treeless—is a harder sell to tourists, though, be they the hard-partying variety or more refined.

And the tourism here is only growing. According to Mayor Langerhans, several hotel projects are planned for Highway 290. A local named Billy Scripps has plans for a 150-room all-suite hotel at his recently opened Altstadt Brewery, which looms like a Bavarian castle above a field east of town. Stewart Skloss, the founder of Houston-based tequila brand Pura Vida Spirits, wants to build a new hotel at 290 and Luckenbach Road. Fiesta Winery has more than seventy acres between 290 and the Pedernales River, where the owners will build a 150-room hotel overlooking the water.

That's on top of the hotel projects popping up in town. The most unusual is the Albert Hotel, on Main Street, which will incorporate four historic properties. And then there are two more hotels coming on the east end of Main Street from Billy Scripps's sister and her husband, Maggie and Gary Scripps-Klenzing.



The Altstadt Brewery, started by Billy Scripps, evokes a Bavarian castle Photograph by Nick Simonite

Billy Scripps, Maggie Scripps-Klenzing, and their siblings are heirs to a family fortune that, according to *Forbes*, has long been one of the largest in the country. But people in town seem a bit confused about who the Scrippses are. One local tells me they are from Mexico; another believes their money comes from Scripto, the company that manufactures pens and lighters. Neither is true.

E. W. Scripps started the *Cleveland Penny Press* in 1878 and founded the United Press newswire in 1907. The E. W. Scripps Company would at one point grow to own hundreds of newspapers around the country and today

operates sixty television stations. The Scripps family established the Scripps Institution of Oceanography, the Scripps Health hospital network, and Scripps College—all in Southern California. E. W. was a contrarian. He read, wrote, traveled extensively, and was not impressed by money.

In 1922, four years before his death, E. W. set up a trust for his children and grandchildren. In 1941 E. W.'s eldest grandson, Robert P. Scripps Jr., was drafted for World War II and fought in the Pacific. When he returned from the war, he made an unconventional decision that would have pleased his grandfather. He left Miramar, the Scripps estate in California, to become a farmer in West Texas, near Pecos. He eventually had eleven children, including Billy and Maggie.

In 1981, the family moved to Fredericksburg, where, despite the size of their brood and their fortune, they didn't initially attract much attention. Robert Jr. grew peaches and kept bees. He died in 2012, at the age of 94, the last of his generation, and the \$7.2 billion family trust expired and was eventually paid out to dozens of beneficiaries—including Robert Jr.'s kids. All but three of them had remained in Fredericksburg.

If Billy's brewery is the most visible recent manifestation of that windfall, it's not the one that's had the biggest impact on Fredericksburg. Maggie and Gary Scripps-Klenzing have become two of the most active real estate developers in town. They opened the <u>Crossroads Saloon and Steakhouse</u> ten years ago on the west end of Main Street and then in 2017 opened the <u>Altdorf</u>, a cafe and biergarten, next door. In the past few years, their acquisitions and restoration projects have accelerated as they've bought other properties on the east end of Main Street.

Throughout my visit, people in town have been telling me that the Scrippses are a private family and don't want publicity. But on a Thursday night, I order a drink at the bar at the Crossroads and leave a note for the owners. The front room is handsome—exposed stone walls, lots of wood, high ceilings. A country band plays on a stage that faces the bar. I watch the dancers, thinking that Maggie and Gary will never get my note, but a few minutes later, a man comes out to greet me and leads me through swinging doors into a large dining room, where he asks me to wait. Gary appears a few minutes later, casually dressed in an untucked button-down, curious and friendly. He tells me that Maggie is in town but isn't available now, as they've had a death in the family.

Late the following morning, I meet both Gary and Maggie next door at the Altdorf. They are sitting on stools at a high table in the back bar, Maggie playing mahjong on her laptop and sipping a beer. She is shy and unassuming, with short, dark hair and high cheekbones. Gary shows me around the Altdorf, one of the oldest buildings on Main Street, formerly a home and a pharmacy. He tells me how their architect painstakingly peeled back layers of paint with a razor blade to discover the original color of the trim on the front porch. Restoration work is often much more expensive than new construction, and they spared no expense when they restored the property. Maggie says she and Gary lived in the basement of the Crossroads for a year while the business got started. The building was originally a general store, then a taxidermy shop. "I thought Fredericksburg needed a place like the Crossroads," Maggie explains.

They live on a ranch ten miles outside town, but they also have an old limestone house on the east end of Main Street to use as a pied-à-terre while they work on projects in town. They're building a boutique hotel, the Emigrant's Inn, on Main Street in front of the B&B they have by the same name. On the vacant lot next door, they're building yet another new hotel. "I think it might be nice to have a piano bar in the basement," Maggie says.

Gary points to another building, which will become their Italian restaurant. "When our realtor calls, Maggie usually says yes," he says. "She knows what she wants."



Gary and Maggie Scripps-Klenzing outside their Fredericksburg home. Photograph by Nick Simonite

Glen Treibs, a fifth-generation Fredericksburg native, thinks of Mayor Langerhans as his sister. That's the kind of familiarity that develops between old families who've been in a town through the ages. They share the same memories. They see changes in the same light. Treibs looks German—fair complexion, blue eyes, strong features, a prominent nose. He grew up speaking German and, like many people his age in Fredericksburg, still has a slight accent. He and his wife, Peggy, live on a family ranch on Treibs Road, near Boot Ranch. He inherited another ranch in Cherry Springs, and they also own property in town.

Treibs taught middle school Texas history and is the official county historian. When he was the chairman of the local historical society in the eighties, he led the organization to file suit to keep Exxon signs from towering over Main Street. I knew Treibs in school and am staying in a house in town on Cora Street that he and Peggy keep as a B&B. He's shoveling pea gravel from the back of his pickup onto the driveway in the afternoon sun. He says Germans like him are so driven that they have to work fifteen hours a day. He knows all of the family trees, all the stories. He can speak to the local schisms between Catholics and Lutherans. As a defender of local tradition, he is alarmed that money has become so important in Fredericksburg.

It's a long conversation to have while standing in a driveway, and I notice that his eyes are watering. Allergies, perhaps? Treibs collects antiques and anything of note from Fredericksburg, as if single-handedly trying to save the past. He says the house on Cora Street was built in 1909, so all of the furnishings come from that era—the canopy beds, the cabinets, the lamps. The house feels like a small museum or as if the original owners still live there.

My family lived nearby for more than fifty years, and I went to school two blocks away. The houses on Cora Street look occupied, so it takes me a while to realize that full-time residents live in only two of them. At night it feels eerie, as if I'm in an episode of *The Leftovers*. But instead of individuals mysteriously disappearing, an entire economic sector of a town vanishes from the neighborhood, leaving only the rich.

"I have something in my eyes," Treibs says. He dabs at the moisture and looks quizzically at his fingertip. "Salt."

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