

Welcome to Musklandia: Austin adjusts to life with Tesla and its eccentric billionaire boss Elon Musk

November 18 2021, by Kara Carlson



Credit: Pixabay/CC0 Public Domain

Welcome to life in Musklandia.

As Elon Musk's sphere of influence in Austin and across Texas seems to expand by the day, the eccentric Texas-based billionaire is taking the region and the state along on the wild and often weird roller-coaster ride that is his life.

It's been a little more than a month since Musk announced Oct. 7 that Tesla is moving its headquarters to Austin, but even before that, Musk was already spending an increasing amount of time in Austin. He has been moving more of his companies into the region since at least 2020, most notably with Tesla's \$1.1 billion manufacturing facility currently being built in southeastern Travis County.

As Austin becomes ground zero for all things Musk, that leaves the rest of us figuring out how to navigate the new landscape—good, bad and odd.

"Musk is a modern-day Albert Einstein in the eyes of many, and the richest person in the world by a wide margin. He's going to bring a lot more limelight and focus on Austin," said Dan Ives, an analyst with Wedbush Securities.

Musk and Austin are likely to become inextricably linked in the coming years, Ives said.

"When the average person in the world thinks Austin, Texas, they're not going to the music festival or Dell or for the great city it is. Tesla and Elon Musk are going to become synonymous with Austin," Ives said.

Roger Kay, an analyst with Endpoint Technologies, said Musk's status and personality are sure to have an impact on Central Texas.

"He's the richest guy in the world, which is interesting. So what he'll do immediately is upstage (Dell Technologies founder and CEO) Michael

Dell, at least on that," Kay said. "Michael has been the kind of king of Austin, I would say, all up until this point."

Expanding presence

While the \$1.1 billion Tesla manufacturing facility and Tesla's planned headquarters move to Austin have drawn the most attention, Musk's ventures have been quietly expanding in Central Texas for some time now. They include Musk's tunneling and infrastructure company, the Boring Co., which has facilities in Pflugerville and Bastrop; a potential SpaceX expansion somewhere in Austin; a potential Neuralink office; and the headquarters of his private foundation, the Musk Foundation.

Also, a Tesla subsidiary, Tesla Energy, was recently licensed to operate as an energy provider in Texas, according to documents filed with the Texas Public Utility Commission. The company is already building the first Tesla solar neighborhood in Austin, called SunHouse at Easton Park, with solar- and alternative-powered energy.

Meanwhile, SpaceX—Musk's aerospace and rocket company—has multiple facilities around Texas, including a launch site near Boca Chica in far South Texas.

What's not clear is whether Musk has a residence in Austin. Although various media outlets have listed Austin as his home, he has never publicly confirmed that. Musk announced last year that he had moved to Texas but said his main residence is a small home near Boca Chica on the SpaceX campus.

Whether Musk actually lives in Austin or not, his influence in and impact on Central Texas can't be denied.

Kay said the influx of Tesla and other Musk-related companies will lead

to higher salaries in the local tech industry, as well as add to the region's already booming housing market and send real estate prices even higher.

"For some people there will be good opportunities. Other people," Kay said, "are going to be irritated."

'Most powerful voice in the world'

One of the places where Musk has drawn the most attention—and perhaps created the most irritation— has been on [social media](#). Musk is active on Twitter, where he has more than 63 million followers.

With his immense wealth and such a huge audience, the influence of what Musk posts on social media shouldn't be downplayed, Ives said.

"He is one of, if not the most powerful voice in the world in terms of social media and a following," Ives said. "If Musk talks, everyone's listening. When you're on the right side of that, it's great. When you're on the wrong side of that, it's a lot of downsides."

Few days go by without Musk making some sort of headline on social media, whether it be for company news, cryptic personal statements, political commentary or just posting a meme.

One example was early last week, as after polling his Twitter followers on whether he should sell 10% of his Tesla stock, Musk sold about 900,000 shares, netting over \$1.1 billion. His trust also sold more than 3.5 million shares worth \$3.88 billion. The stock options that were sold would expire next year and still leave Musk with about 170 million Tesla shares.

More sales later in the week, from both Musk and his trust, have brought the total stock sold to 6.4 million shares, worth a total of \$6.9 billion.

The sales so far amount to less than 4% of the shares he holds.

Ives said that while a sale of some stock has been expected to pay upcoming taxes, holding a Twitter poll to sell the stock is "another soap opera that can only happen to one company and one CEO in the world, Musk."

Here are a few more highlights and lowlights from Musk on social media in the past month:

- Over the weekend, he clashed with U.S. Sen. Bernie Sanders on Twitter after the former presidential candidate from Vermont said the extremely wealthy should pay their fair share. Musk tweeted: "I keep forgetting that you're still alive," and later added, "Want me to sell more stock, Bernie? Just say the word ..."
- He criticized Tesla co-founder Martin Eberhard, with whom he has feuded for years, on Twitter. He claimed to "wish he never met" the co-founder, whom he considers the "worst person I've ever worked with in my entire career," and said that Eberhard "came damn close to killing Tesla."
- He tweeted a crass comment at Oregon Sen. Ron Wyden after the politician tweeted in support of a billionaires income tax and said Musk paying taxes shouldn't be dependent on a Twitter poll.
- He temporarily changed his Twitter name to Lord Edge, likely a reference to the phrase "edge lord."
- He tweeted a joke that he was considering starting a new university in Texas, whose name could be used to form a rude acronym.
- He acknowledged on Twitter that Tesla's self-driving was having software issues and announced that an update would be rolled back after Tesla owners reported cars behaving erratically.
- He pushed back on President Joe Biden's proposed tax plan,

dubbed the Billionaires Income Tax, which would add a tax on the assets, not income, of billionaires. "Eventually, they run out of other people's money, and then they come for you," Musk tweeted on the same day he gained \$36 billion in personal wealth from the Tesla stock surge.

- He called Biden a "puppet" for the United Auto Workers union and pushed back on his plan for electric-vehicle purchase tax credits proposed in the president's infrastructure bill. The plan would exclude nonunion automakers, such as Tesla.
- He exchanged tweets with David Beasley, director of the U.N.'s World Food Program, who urged Musk to donate 2% of his estimated net worth, or about \$6 billion, to help fight world hunger. Musk said if the program laid out a detailed plan for how exactly the \$6 billion would be used and the donation went through open source accounting, he would donate. Beasley said that was possible, and he would meet him anywhere, "earth or space," to discuss further. No donation has been made.

While most of that social media activity hasn't focused directly on Austin or Texas, there are signs Musk is starting to take more of an interest in what's going on in the Lone Star State.

'Going to be some ruffled feathers'

When Musk announced he was moving Tesla's headquarters to Austin, he didn't mention previous clashes he'd had with California officials. However, industry analysts say that while Austin is more affordable than Silicon Valley and still has the tech and engineering talent Musk needs for his companies, it seems clear he decided he preferred Texas' more business-friendly environment over California's more regulation-heavy approach.

"I think Musk selected Texas in particular because of its kind of frontier

style. He's always thought that California's heavy regulatory environment was not particularly conducive to his style," Kay said. "He's made it really clear that he doesn't think public authorities have any business telling him what to do."

All of which means officials in Texas—and in Austin—could eventually find themselves getting the same pushback California did from Musk if regulatory conditions rub him the wrong way.

Musk tends to do what he wants and is clever and aggressive in how he goes about disputes, Kay said. At the same time, he will bring a lot of jobs and tax revenue to the region, which gives him cards to play.

"He'll say, 'Well, listen, you want me to just pick up stakes and go to Mississippi?'" Kay said. "There's probably going to be some ruffled feathers there when he says, 'It's my way or the highway and now I own your highway, You can't say anything about it. You do—well, then I'll bring all my resources to bear upon you.'"

It remains to be seen how Musk might aim to influence state or local policymaking.

In September, Gov. Greg Abbott said that Musk supported Texas' social policies. In response, Musk tweeted: "In general, I believe government should rarely impose its will upon the people, and, when doing so, should aspire to maximize their cumulative happiness. That said, I would prefer to stay out of politics."

However, Musk has weighed in on some Austin political issues already.

"Austin should be its city, not a San Francisco copycat," Musk said in a Halloween tweet replying to a tweet about Proposition A, which didn't pass earlier this month. The proposition would have required the city of

Austin to hire hundreds more police officers.

Whatever positions Musk takes, they are sure to have influence in Austin, across the state and globally, Ives said—in large part because of Musk's immense wealth and the power that affords him.

Musk recently became the first person in the Bloomberg Billionaires Index to have an estimated net worth of more than \$300 billion, making him not only the wealthiest person in the country but also the richest person in history. Musk's current estimated net worth is somewhere between \$280 billion and \$300 billion.

Having Musk and Tesla here comes with "exponentially more positives than negatives for Austin," Ives said. "But Austin has to embrace Tesla and Elon, and not just treat him like any other business person. There are 300 billion reasons he's not."

©2021 Gannett Co., Inc.

Distributed by Tribune Content Agency, LLC.

Citation: Welcome to Musklandia: Austin adjusts to life with Tesla and its eccentric billionaire boss Elon Musk (2021, November 18) retrieved 26 April 2024 from <https://techxplore.com/news/2021-11-musklandia-austin-adjusts-life-tesla.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.