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How Xebec Realty Is Resurrecting an Industrial Ghost Town

47 min



a temperate mid-January day, with a bird's eye view from the helicopter of Dallas, then South Dallas, Randy Kendrick narrates the pieces of an infrastructure puzzle he's connecting. Soon, we come upon the vast central plains of Texas and the mega-site of Sandow Lakes Ranch. Kendrick, CEO of Dallas-based Xebec Realty, relays how he sees his development syncing with shifting supply chains, logistics, and transportation infrastructure—the type of transformational convergence that's only seen about once every 100 years.

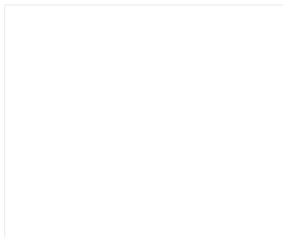
We land at the office by Alcoa Lake, across from the industrial structures of “power island” and the defunct aluminum smelter. The success of the prized brownfield site was manifested by Tommy Hodges, a former Alcoa employee who's now COO of Sandow Lakes. A six-year marketing odyssey by local broker Bernard “Bernie” Uechtriz further shaped the story. The two found their perfect suitor in developer Kendrick.

The Chernobyl-looking industrial land, surrounded by earth and lakes so pristine and poetic, is being remade into a modern-day township of technological innovation, creativity, and intelligence. “Sandow is in the sweet spot of Texas’ Golden Triangle—nothing like it exists,” Uechtriz emphasizes.

The development is 17 miles long and 50 square miles—more than twice the size of Manhattan. Just south a short distance from Rockdale and east of Taylor, where a Samsung chip foundry is being built, it's anchored by the 914-acre Alcoa Lake, the former cooling waters of a mothballed Alcoa aluminum plant.

Built in the early 1950s, it was the largest aluminum foundry in the world for decades. It closed in 2008, having employed nearly 2,500 people. The new Alcoa foundry built in Iceland needs just 100 employees to run it, Kendrick says. “It's a 50-year rule surrounding the lifespan of an industrial facility.” He refers to an infrastructure stock turnover rate not

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apparent to most. The Alcoa plant's place in time has passed.

And now, reindustrialization is emerging in unique and Texas-style ways. With economic growth and shifts owing to the pandemic and geopolitics, there is a need to innovate and repurpose brownfield assets. North Texas visionaries on the vanguard are connecting energy, innovation, infrastructure development, and land use trends—with Sandow the posterchild.

## Agents of Change

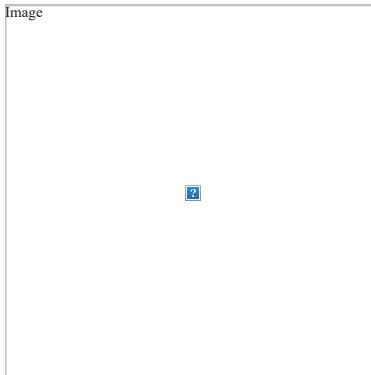
The transformation of the Alcoa property from preparation for sale to where it is today is complex. During the hand-off to Kendrick, who acquired the asset in November 2021, Hodges parted with these words: "Just don't mess it up."

Key in rebranding the mega-site as Sandow Lakes Ranch was Uechtritz of Icon Global. Responding to a request for proposal by Alcoa shortly after his renowned \$725 million Waggoner Ranch sale in 2016, Uechtritz was selected to represent the industrial behemoth. "It was 33,000-plus acres of an incredible-looking sculptured landscape that was extraordinarily out of place in a Central Texas setting," he recalls. "The terrain outside of Sandow is harsh and tough, gravelly and scrubby. But this site looked like it popped out of a Montana or Wyoming guidebook."

In juxtaposition to rolling hills and a string of lakes were two hulking power plants. About a third of the site, 600 acres, was designated as industrial area, with two coal-fired power plants and the longest coal-carrying conveyor belt in the world.

Uechtritz was attracted to the deal by its novelty and sheer challenge. Once in his charge, he realized the daunting road ahead. "I had never done anything like this," he says. "I wondered how I was going to do it. There's a lot of water—and all this rusty metal. I honed in on the high value of the water [resources], given the demand and apparent pipelines from Austin and Georgetown to San Antonio."

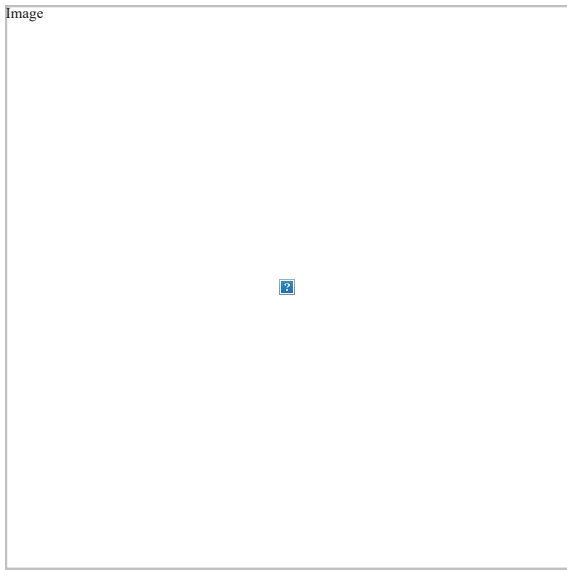
Along with its power island, the Alcoa development had a mega-switch and a Class 1 railroad switch. Alcoa even bought back a railroad spur it sold to add to the appeal. But future business neighbors and local communities became a big part of the draw in selling the site.



Bernie Uechtritz specializes in luxury ranches. But he began his career selling distressed properties in California.  
Gustav Schmiege III

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Uechtritz and Hodges paved a path with potential revenue streams to justify a price tag of \$240 million. Meanwhile, the clock was ticking on the requirements for repurposing a brownfield site. "The picturesque landscape was largely unchanged through the sales process, but the industrial part changed dramatically," Uechtritz says. Water deals were teed up to water utilities, which would ultimately sell to end users such as Samsung. Amazon and Tesla later moved to the area.



Sandow Lakes, twice the size of Manhattan, aims to be a model of supply chain, logistics, and transportation innovation.

At one point, the site became an industrial ghost town with just a guard checkpoint and Hodges' office. One coal-fired power plant shut down, and another was decommissioned, with Luminant's bankruptcy in 2017. The old 25-mile conveyor belt sat idle.

New and different opportunities materialized. Some potential buyers wanted to store whiskey; others thought to build datacenters or the largest solar farm ever. A tech firm wanted a secret science lab; another hoped to convert Wyoming trash to energy, given the railway access. Ultimately, time and events favored the man who would emerge as Sandow's new owner.

## The Caretaker's Plans

On board at Alcoa since 1983, Hodges oversaw the \$350-million reclamation of the 17,500-acre Sandow mine that ran the smelter, creating the ultimate canvas for industrial and commercial use. Kendrick and Uechtriz credit him for envisioning the natural landscape that once was—and what it could become again.

Hodges managed almost every aspect of the land and venture, from making aluminum to power generation and mining coal. "I had a hand in acquiring and developing the property," he says, "and then on the backend, its restoration." The Sandow Mine, permitted as No. 001 in 1976, and 1,000 inspections later, was closed out by the Texas Railroad Commission in 2018.

### The Circular Economy

#### How the global approach to innovation is shifting.

Sandow Lakes Ranch stands as a model of sustainable development. Adding advanced manufacturing means creating space for the new with the old in mind. Given the economic growth in the Texas Triangle, landman and carbon capture expert Jonathan Grammer

used a technique for how materials were handled in the mining industry and terrain. At Sandow, having mined an average of 180 feet of red clay gave way to sandy loam underneath, which Hodges replaced with topsoil for a rich and fertile future. Kendrick says it's five times more productive than the average ranchland in Central Texas. In 2018, the Department of Energy designated the property as the best mine reclamation initiative in the U.S.

In some years past, Boy Scouts had planted trees—pecan, hickory, and oak. They now cover nearly half of the entire property. Wildlife and nature are thriving. The made lakes of Sandow Lakes Ranch cover roughly 1,960 surface acres. The water levels are "deeper than most lakes in Texas," Kendrick says.

The ranch was the major economic engine for Rockdale and surrounding areas. The economic multiplier of Sandow will be significant. Its location and proximity to major highways and its suppliers suggests another hub in Texas' expanding manufacturing ecosystem.

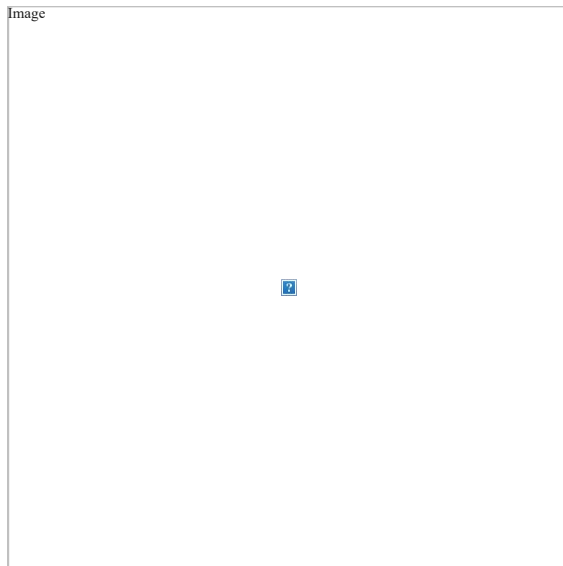
observes how the availability of relatively large, flat, affordable parcels inspired Samsung and Tesla to move to Texas. Previously classified as farmland, this region's access to infrastructure and other business factors played a role, too. Sandow's sheer size will allow for Kendrick's vision beyond commercial uses—including housing. He aims to honor the histories while allowing for creative, next-gen growth "one brick at a time," he says.

end-game to posture the property for sale around 2010. "We ward that could restore some, if not all, of that economic engine," ring to be all-or-none. That's how we approached it." Once the realized the need to demonstrate the revenue potential outside of ers. "By the spring of 2020, we had that pretty well mapped out," coa to move on."

oa to Sandow happened organically. "I saw the pastures, water, ht this was the sell," says Uechtriz. "The ugly industrial bits and eone else's problem because I didn't know how to make that go

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The Texas Railroad Commission shut down the Sandow Mine in 2018. Xebec has taken on its ambitious redevelopment.

Hodges and Uechtriz mapped out a strategy like they were playing a game of chess. "Tommy moved the pieces around—how much resources they would use, water, fiber, and how to share them—including contenders like the Amazons and Musks," Uechtriz says. "He was the supreme chess player, never taking his eye off the game. And now and then, he said "checkmate."

As the anchor in the middle, Hodges knew that selling the property required a certain mix of brokerage and synergy. Countless others tried to make end runs around him and Uechtriz. Hodges held the line.

## The Visionary

ted 40 potential suitors for the Alcoa property; then Randy

**Power-Hungry Texas** opened by accident, in an unrelated meeting, Uechtritz says. "On

A look at peak daily energy demand for the Lone Star State.

xt day with Tommy, I said, 'I think I met our guy.'"

fter seeing the property for the first time. "I couldn't believe there d in the fastest-growing area in Texas," he says, calling it a "true " Unfazed by the ugly site, he was attracted to its "location, place ad power."



Las Vegas. His father worked in construction—specifically in ed to Los Angeles. As a University of Southern California al estate development deal at age 22. He aligned with brokers who i. Based in Dallas since 2018, after relocating from California, rack record and 43 projects under development.



container played an outsized role in his success. Global ports had an agreement to allow for the globalization of the 1986-to-early 'sited Sandow, as we flew across North Texas, Kendrick / railroads are still a foundation of American commerce. Online is modifying industrial era. The shipping container allowed for -from ship to train to truck, that is.



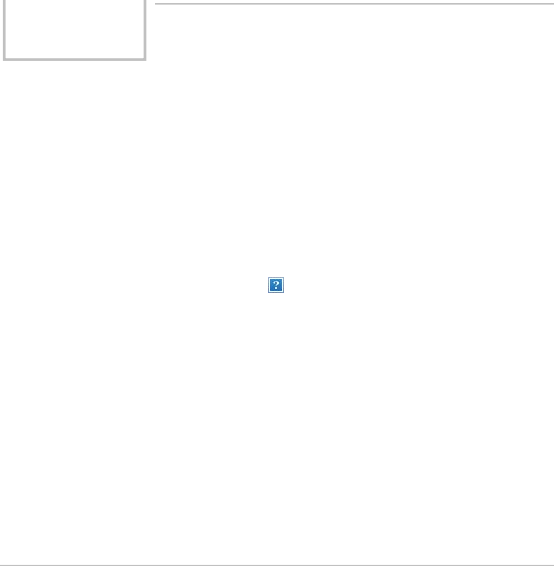
nd Amazons, online shopping and fulfillment, another level of is apparent to Kendrick. "Developers make something out of 's not all.



he global economic deck in new ways. It was kerosene poured ice in American manufacturing. Nowhere is that more apparent that's taking hold in Texas.



prepared Sandow for its next owner, the pandemic revealed rabilities. The Biden Administration passed the Bipartisan ember 2021, followed by the CHIPS and Science Act, a \$52 billion st 2022, after the Sandow deal closed. This signaled the U.S. m manufacturing and supply chains to America.



Tommy Hodges and Alan Gardenhire of Sandow Lakes go over redevelopment plans with Xebec's Randy Kendrick.

In early 2022, Samsung broke ground in Taylor on what has become a nearly \$30 billion semiconductor foundry, or fabs, to power next-generation tech in areas like 5G, AI, and high-

performance computing. Sandow is supplying water resources to Samsung, a significant benefactor of Sandow's infrastructure. We flew over the foundry's construction, with Kendrick commenting on the 24/7 activity to move into chip production.

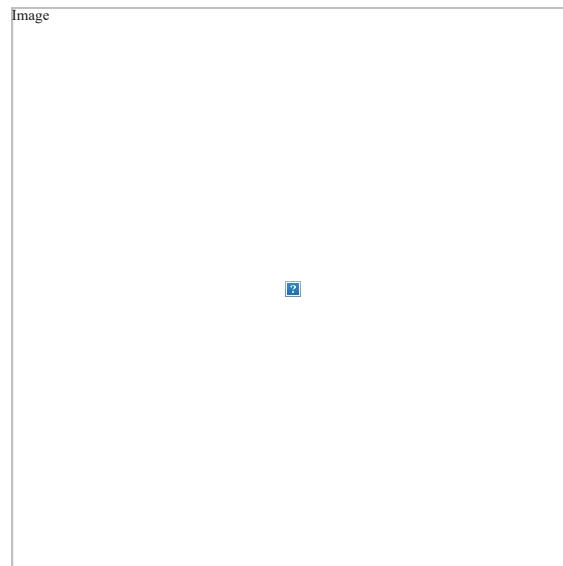
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The first-announced phase of Sandow's master plan, the Advanced Manufacturing and Logistix Campus, or "AMLC," will feature up to 50 million square feet of industrial space. Prospects include Amazon and national third-party logistics firms but also high- and low-tech manufacturing. Kendrick mentions that 3D printing and additive manufacturing are game-changers for reshoring supply chains to America. He expects the densest part of Sandow's gross domestic product to be the AMLC, reflecting "modern-scale economic activity."

The potential of the water and energy resources was a significant point of attraction for Kendrick in the Sandow deal. He well understands how critical water supplies have become, given his Los Angeles experience. The rechargeable Simsboro aquifer lies underneath the property and will have a conscious caretaker.

Power island, with its many industrial leftovers, offers Kendrick "adaptive reuse opportunities," he says. On the day of the visit, power was top of mind with Winter Storm Uri still fresh in the collective consciousness. Kendrick notes that Texas is short 16 gigawatts in the Triangle, based on a Texas A&M study. Sandow is part of the solution. Its renowned Sandow switch is 1.5 gigawatts—strategic infrastructure for connecting the northern and southern parts of Texas to the grid. Two new switches are planned, as is a state-of-the-art natural gas power plant—a 1,200-megawatt, ultra-efficient facility expected to break ground in 2025 and be operational by 2028—and solar.

Energy demand is growing. Datacenters, quantum computing, and AI require a lot of power. But availability and reliability could become a growth-limiting factor. Kendrick is planning electrical infrastructure with carbon neutrality in mind.



The advanced manufacturing and logistics campus at Sandow could contain up to 50 million square feet of industrial space.

Uechtritz says a certain entrepreneurial vision was required to realize the possibilities. “A place like Sandow requires a guy to walk in and say, ‘I got this,’” he says. “One that says, ‘F—k, this could be really cool.’ He isn’t bothered by the obstacles; he knows in himself he’ll overcome them and find those with the right answers. That’s who Randy is.”

The reindustrialization theme in land use has examples scattered across the U.S., with rust and worn-out infrastructure that can be revitalized—true circular economy dreams. Ultimately, Sandow Lakes will house tenants from high- and low-tech manufacturers—names old and new—to “creative types and tech-forward innovators.”

As we wrapped up our conversation, I asked Kendrick about Sandow’s aesthetic: “Eclectic” was his one-word reply. To him, Texas is like California in the 1970s, with a lot of cool yet to be created.



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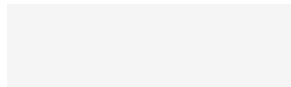
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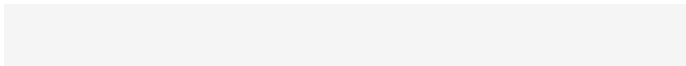
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