



Selling Sandow Lakes:

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Meet the Aussie who will

BY BRANDI SMITH

"There is not a single ranch or block of land anywhere in Texas, perhaps nationally, that has the enormous upside and multifaceted revenue generation that Sandow offers to smart money," said Bernard "Bernie" Uechtritz, founder of International Icon Properties (www.icon.global) and international real estate advisor to Briggs Freeman Sothebys International Realty, in Dallas. "It is the answer to so many of the state's pending area water issues and that's just one of its assets. It's poised to print cash."



The challenge is clear: how does one market and sell a nearly 34,000-acre Texas ranch for \$250 million with water rights alone valued

at \$70 million? Sandow Lakes Ranch is a spectacular multi-faceted property about 45 miles east of Austin. Owned by international aluminum giant Alcoa Inc. for decades, it's now available for sale and features 14 lakes, along with tremendous intermodal capabilities: water, electric, gas, sealed road, railway access, several million feet of warehouse space and two power plants, ag exemptions and a whole lot more. With such disparate features, very few people would step up to handle such a complex sale.

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The man at the top of that exceedingly short list is Uechtritz. Upon first glance, one might assume Uechtritz is a born-and-bred Texan; however, his story begins almost 8,000 miles away in Papua New Guinea.

Tribal Land Deals to Cattle Trades

Uechtritz was born in Australia, the eighth child of 11 kids, but his parents Alfred and Mary Lou Uechtritz were Papua New Guinea pioneers.

"In Papua New Guinea, my father was a great peacekeeper," Uechtritz told The Land Report. "Dad was called upon to negotiate everything from tribal land deals to cattle trades. I watched him intervene in fights between warring natives with axes raised and arrows flying."

As a youth, Uechtritz spent down time hunting for World War II relics on his family's cattle station called ERAP, which was, at one time, a part of "NADZAB," the largest American Air Force base in the South Pacific Theatre. Once a month, the family would make the 40-mile drive into town to watch John Wayne on the silver screen. Suffice to say, Americans have always loomed large on his "hero" screen.

"It was a wonderful and colorful background to have come from and I am both lucky and grateful. I had big responsibilities from an early age," Uechtritz said. "I think that's what helped shape me."

After "graduating early" from several boarding schools, Uechtritz spent four years managing a cattle ranch and plantation in Papua New Guinea before succumbing to his fascination with America. In 1989, at age 22, he ventured onto U.S. soil. He jumped into real estate just four years later, earning his license in California in 1993.



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Lots of Conviction

It didn't take long for Uechtritz to dive right in, aiming to prove the impossible possible. One of his first targets: a home belonging to the notorious Menendez family. In 1989, Lyle and Erik Menendez brutally murdered their parents. The family's attorney, tasked with selling the Calabasas estate, struggled until the ambitious Uechtritz offered his services.

"It wasn't the house that they were killed in, but it was stigmatized — bad karma, terrible market and all that," Uechtritz said. "It had been listed by several other brokers, but not sold."

"Bernie just came in and said, 'I can do this,'" lawyer Stephen Goldberg recalled in a 2012 story in *The Land Report*. "We'd already had some of the more established people try to sell it. Was Bernie qualified on paper to handle that sale? No. Did he do a great job? You bet. Bernie got offers on the table through unconventional means, pushed forward, persevered, and got it done."

Uechtritz's well-thought-out and detailed approach included marketing the property globally. It worked successfully and quickly.

"[The property] sat on the market for five years and I sold it in three months," said Uechtritz. "The truth of the matter is that I had no idea what I was doing, but I just had a lot of conviction in my plan at the time."

Live It and Breathe It

Uechtritz admits to capitalizing on his background as well, having retained his Australian accent despite more than two decades living in the United States.

"Winston Churchill said, 'Polo is your passport to the world' - and I am a passionate polo player - but your accent and being Australian, used with integrity, is also your passport to the world," he said.

Uechtritz's can-do attitude has made him a global "go-to" guy for challenging assignments, ranging from appraising O.J. Simpson's Brentwood mansion to putting together the complicated Camp Cooley Ranch sale in Texas and saving two major lenders in the process years later. Those deals served as training for what would end up being one of the most complex and challenging projects of his career: leading the global marketing and sale of the famed WT Waggoner Ranch.

Uechtritz sold the 535,000-acre property, listed for \$725 million, to Los Angeles Rams owner Stan Kroenke early in 2016. In the

process, he stunned the real estate sector with his one-two punch of an unprecedented savvy marketing campaign and successful close. The sale smashed sales records across the board, including being the biggest sale ever for global behemoth Sotheby's International worldwide, for American Ranching and set a new bar in the process. Uechtritz silenced the many naysayers, skeptics and the gaggle of brokers and lawyers who laughed at the listing price announcement. He earned both their silence and dumbfounded respect.

"It's not the most financially rewarding deal I've ever done, but it was the most emotionally rewarding," Uechtritz said. "It was satisfying because everybody said both internally and externally that the deal could never be done and would never be done."

Founded more than 160 years ago, the ranch is said to be the largest within one fence in the United States. Its acreage spans six counties and, for some perspective, is as large as New York City and Los Angeles combined. The property also boasts more than 1,200 oil and gas wells.

"It was a piece of Texas history, legacy, lore, cowboy and John Wayne stuff," said Uechtritz. "I get very passionate about that and I'd like to think that part of my success is that I immerse myself in that. I live and breathe it, like an actor preparing for a role."

That passion helped Uechtritz beat out the hundreds of other real estate brokers who'd pitched for the listing. When he finally

won the job in 2014, the ranch had been in litigation for 22 years due to family squabbles about how to split up the property.

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After just 15 months of marketing, and screening more than 900 would-be buyers, that deal between Kroenke and the Waggoner descendants was signed.

"This was never a dollar-and-cents proposition," said Uechtritz. "I'd committed the cardinal sin of what no Realtor should do: fall in love with the property you are selling. I was bound and determined to find the right steward and caretaker for the next century or two. We fortunately achieved that goal with Stan Kroenke, which provided a fairy tale ending."

Expect Sandow Lakes to Sell Quickly

Waggoner sold, Uechtritz now had his full attention focused on his next challenge: Sandow Lakes Ranch. The sprawling property, which stretches over three counties in Central Texas, is on the market for \$250 million.

"My response to the RFP was four-inches thick," said Uechtritz. "It detailed every step along the way. Like the Waggoner plan, it



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wildlife, including whitetail deer, javelina, quail, American bald eagle, largemouth bass and tilapia to name a few.

Those, however, are not the ranch's most alluring features.

"There's a string of 14 lakes – crystal clear with fish galore. Just the water rights alone are ultimately worth hundreds of million in value," said Uechtritz. "Water is the new oil, and it's one of the hot buttons with this property."

The state's population is expected to double by 2050 and the Texas Water Development Board estimates that by 2070, the Lone Star State will need an additional 1,039,509,405,966 gallons each year. That's why Sandow Lakes' water may be its most valuable asset.

"This is the most well-placed water reserve and water-monetizing opportunity that there is in Texas, probably the nation," Uechtritz said, pointing to the ranch's ideal location between San Antonio, Austin and Houston. The proposed 'Vista Ridge' pipeline, said to be the South Texas water lifeline, cuts into Sandow Ranch as it stretches from Caldwell in Bureson County down the I-35 corridor through Austin all the way to San Antonio.

"It crosses the south end of Sandow Ranch at the perfect spot to connect to Sandow's endless water supply," Uechtritz pointed out.

The lakes Uechtritz mentioned cover roughly 2,000 surface acres and hold more than 48,000 acre-feet of water. But the property owner will also have access to another 58,000 acre-feet of ground water from the Simsboro Aquifer. Combined with diversionary rights from the Little River, Sandow Lakes could control more than 120,000 acre-feet of water.

"Just the value of the surface water, extrapolated over the next 30 years, is worth about \$240 million," said Uechtritz. "Add the ground water and the value is closer to \$430 million."

Based on the level keen of interest so far, Uechtritz is preparing to put out an international call for offers as soon as July. His focus, as always, is finding the right steward for the property, who can both maximize benefits to the community and monetize the investment for a win-win.

"We expect Sandow Lakes to sell quickly, as I believe this opportunity to be unprecedented in the region and state, and perhaps even nationally. We have a rapid and robust global marketing campaign, and have in place an enormous electronic data room as well as on site due diligence available for immediate access," Uechtritz said.

Once he crosses another "hard-to-sell" property off his list, what's next for Uechtritz? He says he's trying to scale back, but the calls just keep coming. That's forcing him to be more selective with the clients he chooses.

"There are only so many hours in a day and only so many people that you can give 100 percent to," he says. "So I now only pick three or four big projects a year. They're big numbers with high risk and high reward, but they're challenging.

"I've got to like and believe in both the client and the property to infuse the necessary passion, time and well-earned experience that I bring to the table. Fortunately, I have some really cool projects in the pipeline after this, which is exciting and keeps me energized to conquer the next one."

It's clear: Uechtritz loves a good challenge. We cannot wait to report on the Sandow sale and see what's next. ●

was specific and had a timeline. Like the Waggoner, I committed to market Sandow to the four corners of the world -- and I have. I am also on track with our timeline to sell. Once again, this sale, like the Waggoner, is not a matter of 'if'; it will sell! But it's a matter of who will buy it? and for how much? I can even pretty much tell you the when, because I control that factor!"

The property shares similarities with Waggoner: both are world-class assets, both are agricultural powerhouses, both offer a recreational paradise. But the difference in immediate and long-term revenue earning capacity is huge -- staggering, in fact -- by a factor of hundreds of millions of dollars.

"Sandow offers tremendous upsides through alternative revenue streams, such as water and its intermodal features, and has a present-day and immediate development value across industrial, commercial

"It's stunningly beautiful and most people don't know it's there" - Bernie

and residential sectors," Uechtritz said. "Its ready-made intermodal and energy capacities are significant and unlike any 'ranch.' Calling it a ranch is somewhat misleading."

For decades, Alcoa used the land as an open lignite mine. The property includes a 6,000-acre industrial complex, about 200 million tons of lignite coal and nearly 30,000 acres of oil and gas minerals. As a result, the existing 6,074-acre industrial complex offers turn-key access to full utilities in place (electricity, gas, water, water treatment and waste disposal), roads, railhead, intermodal facility, warehousing, manufacturing and distribution.

On the agricultural and exemption side, the ranch's pastureland produced 16,000 bales of hay in 2015 and Uechtritz estimates that amount could be tripled if the new owner so desired.

Aesthetically, there are few properties in the state of Texas that could rival Sandow Lakes' pristine beauty. Nearly 24,000 acres are natural or reclaimed property that provide award-winning habitat for