

Cinco Ranch: Origins of a Top Selling Master-Planned Texas Community

REDNews Interviews Bill Wheless III



Bill Wheless III

William (Bill) M. Wheless III grew up with Cinco Ranch. His family and the Abercrombie family bought it in the 40s. It was originally purchased by the Blakely family, who had it parceled to them by Stephen F. Austin himself in a land deal done before Texas joined the Union. Cinco Ranch, now managed and developed by Newland Communities, is the number one top-selling community in Texas and the number three top-selling community in the entire United States.

Ted Nelson from Newland Communities gave a talk in April addressing the dramatic growth Southeast Texas is undergoing because of Eagle Ford and other energy developments and how that growth is affecting the real estate market. Mr. Nelson said that "between the Medical and Energy Sectors, Houston now has the greatest accumulation of intellectual capital the world has ever seen."

"Cinco Ranch, Telfair, The Woodlands and a number of 'new' communities skirting the edges of Houston and along the Grand Parkway are becoming self-contained cities unto themselves and a major source for the housing and retail needs of the booming influx of workers," he stated.

Cinco Ranch is a mature community, having been

developed in its current capacity for close to thirty years. But where did it all begin?

It started with the father of the Father of Texas, Moses Austin. The Spanish government gave the blessing for Moses Austin to settle hundreds of families into the area. His son Stephen F. Austin, the Father of Texas, finished this settlement while Texas was still under Mexican government. One of those settlers was Randolph Foster who was deeded 4,000 acres in Fort Bend and Waller counties, which at the time were occupied predominantly by Indians and buffalo.

Foster's daughter married Thomas Blakeley, cattleman and future sheriff of Fort Bend County. His son, Bassett Blakeley, followed in his father's and grandfather's footsteps and became a cowboy and cattleman. Bassett Blakeley owned 15,000 acres of land, 14,000 head of Brahman cattle, and his grandfather's land. The cowhands of his Blakeley Ranch annually drove 10,000 head of cattle to the railheads in Kansas.

Our interview with Mr. Bill Wheless elicited more history of Cinco Ranch post World War II up to its sale to Newland Homes.

Have you studied the history of Cinco Ranch, in books or online?

Mr. Wheless: Yes.

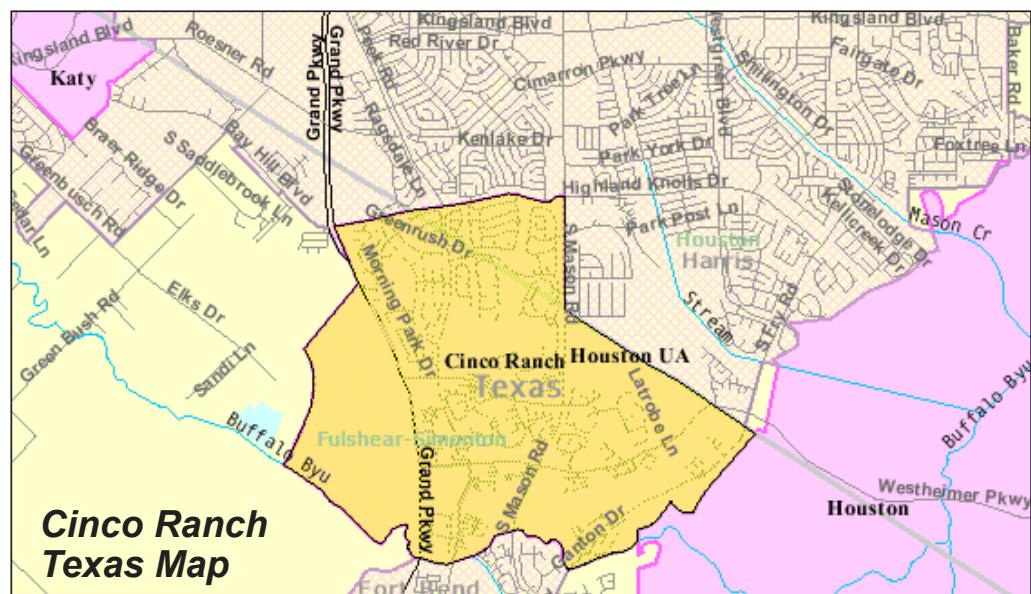
There is information on you, your family, and the Blakeleys owning the property in 1937.

Mr. Wheless: Yes, I've seen some of that. My grandfather, William M. Wheless Senior, was head of the Land Department for the Gulf Oil Company. He did a lot of transactions representing Gulf with Mr. James Abercrombie who was an extremely successful independent oil man.

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Mr. Abercrombie asked my grandfather to quit his job, which at the time was a very good job, to be his partner. Mr. Abercrombie proposed putting up the financing, and he wanted my grandfather to acquire property for their venture.

My grandfather took that step and became partners with Mr. Abercrombie. That was in the 1940s, right around World War II.





Club House Circa 1955

Mr. Abercrombie was on a trip, a grand tour of Europe. My grandfather was here. The head of Texas Commerce, now JP Morgan Chase Bank, came to my grandfather and said, "We foreclosed on a large ranch and we want you to buy it. We want to get it off our books."



William M. Wheless Senior

My grandfather was reluctant to do that because it was such a huge deal, 10,000 acres. "I don't want to do that because it's too big a deal," he said "I have to consult with my partner before taking on such a huge obligation."

At that time Jesse Jones was the head of the bank. He was also the head of the Reconstruction Finance Committee in Washington for FDR. Mr. Jones told my grandfather, "No, I talked to Jim before he left. He said you can buy anything you want. Here are the papers, and I want you to sign them right now!"

With much trepidation, my grandfather signed the papers without communicating with Mr. Abercrombie, there being no faxes or emails at that time. He then owned 10,000 acres between Westheimer and Katy and Highway 6, formerly the Blakely Ranch.

The more he thought about it, the more uncomfortable he was with what he had done, so he found partners to bring in on the deal before Mr. Abercrombie returned from his vacation in Europe. One was his good friend, the president of Gulf Oil Company, Mr. W. B. Pyron. The others were Mr. H. G. Nelms, a successful oil man and Mr. Lenoir Josey, another good friend of my grandfather. Now there were five partners, hence the name Cinco Ranch.

When Mr. Abercrombie got back from his trip, my grandfather met him at the dock in Galveston and said, "I don't want you to be mad, but I want to tell you what happened...Jesse Jones made me buy this ranch... But, don't worry...We got three more partners and now there are five of us." Mr. Abercrombie looked at the deal for a second and said, "I am furious. This is the best deal I've ever seen in my life. They purchased it for ten dollars

an acre. You go buy those other partners out immediately and give them double their money."

Mr. Abercrombie and my grandfather owned the ranch 50/50 for over forty years. My father operated it, and they grew rice and raised cattle.

When I finished graduate school, my grandfather was in failing health. He decided to sell half the ranch to Robert Mosbacher. I have fond memories of working with him on that sale.

So now Mosbacher and Abercrombie were partners?

Mr. Wheless: Yes. Mr. Abercrombie's daughter Josephine owned one half and Robert Mosbacher and a group of his friends owned the other half. That was in the '70s.

Then in 1984 Abercrombie and Mosbacher decided to sell.

The first part of the ranch that sold was to Vincent Kickerillo. That was eight or nine hundred acres, now called Kelliwood.

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That was closer to I-10.

Mr. Wheless: Yes, closer to I-10 off Fry Road.

In 1984 the purchasing group consisted of US Homes, the largest home builder in America, American General, one of the largest insurance companies in the nation, and the Mischer Corporation, one of the largest land developers in Houston. Each one played a role. One was the developer, one was the financier, and one was going to build the houses. That sale was \$84M. When you add in the Kickerillo transaction, it was a raw land sale in excess of \$100,000,000.

In total?

Mr. Wheless: Total. Which was and still is, to the best of my knowledge, the largest raw land sale in the history of Houston.

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Cinco Ranch Rice Fields

Once they had it, Mischer, US Homes, and American General, developed it through several business cycles, and American General wound up with it. Their subsidiary was called Newland, who had an affiliation with a company called Newland Homes, and Newland's is to this day the developer of Cinco. They added several more tracts to the west toward Fulshear as they ran out of land in Cinco.

It was two years ago, I think, that Cinco was rated the top-selling Master-Planned Community in the United States. I believe it even surpassed the Woodlands.

That is quite remarkable. What do you think made it so successful?

Mr. Wheless: Staying power, the ability to go through two really bad cycles because there were some bleak times. It wasn't all straight up. They had such a huge land cost, and in addition they had a huge infrastructure cost. They had to channel Buffalo Bayou through Cinco. The headwaters of Buffalo Bayou start just on the northwest corner of Cinco near Katy. As you know, the Bayou goes through the middle of Houston and all the way to the Ship Channel.

When did they start developing?

Mr. Wheless: Kickerillo started in the early 80s. Cinco started in the late 80s. If you remember, Houston's economy was horrible in the late 80s.

What was the price of an acre back when you sold it?

Mr. Wheless: Divide 5,200 acres into 84 million. It was an all-cash transaction.

all that property, hunting and fishing. My brothers and sisters and I have great memories. It was a Tom Sawyer type of existence. We hated to part with it, but my grandfather was in ill health, and he wanted to get his estate in order before he passed away.

Anyway, it was hard emotionally to part with the ranch. I was privileged to be in a position to help him sell our property as well as to be involved with the subsequent sale in 1984.

I remember reading, years ago, that your grandfather was considered to be one of the largest land owners in Texas

Mr. Wheless: He and Mr. Abercrombie were the second largest land owners in Harris County when he died. They also owned the Atascocita Country Club, as well as most of the land on the western shores of Lake Houston. He certainly was a role model for me.



Pavilion Rice Well at Buffalo Bayou Flood Stage

Mr. Wheless: Now we have Bridgeland and the Woodlands. Both are really big deals. Camp Strake will be a very big deal.

Yes, it will be a big deal.

Mr. Wheless: When you develop large tracts, it takes a long time to absorb all the land.

What was the best time and the worst time?

Mr. Wheless: The best time for me personally was growing up as a kid out there and having access to

REDNews would like to thank Mr. Wheless for his travel back in time through one of the nation's great burgeoning communities. The history of land and the big power brokers of Texas are fundamentally the history of Texans, from Stephen F. Austin to William M Wheless-big people, big deals. As George W. Bush said, "Some folks look at me and see a certain swagger, which in Texas is called 'walking.'"