

Alamo Ice hopes to make a cool buck on frozen assets

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The name may initially evoke images of a quaint little joint where patrons can grab a cold one.

But a new venture is only selling one thing: Ice.

Earlier this year, San Antonio Ice Houses LLC debuted on the local scene with its first ice-vending machine -- under the name Alamo Ice House.

The concept is simple: Customers simply put their money in the designated slot and push the button. In about 8 seconds, a customer can have a 16-pound bag of chipped ice. Consumers can also opt to buy 20 pounds of unbagged ice -- perfect for a cooler.

The facilities are located outdoors, which makes them perfect for drive-through traffic. They stay open around the clock.

"It's just like going up to an ATM," explains H.T. Waller, one of the founders of San Antonio Ice Houses.

Now Waller and his group are out to make the cash from this venture flow as easily as ice does from one of the vending machines.

Over the next 12 months, Waller plans to open as many as 20 "ice houses" in the greater San Antonio area and turn his company into a million-dollar business.

Cornering the market

San Antonio Ice Houses is one of the franchisees/distributors for Ice House America LLC -- a Jacksonville, Fla.-based manufacturer of ice-house vending machines. To date, Ice House America has active or pending dealerships in 23 states in the United States, the Caribbean, Australia and Mexico.

San Antonio Ice Houses has the rights to the greater San Antonio area -- which covers the Alamo City and eight surrounding counties, Waller says.

The first Alamo Ice House facility opened in January, at Crossroads Boulevard and Fredericksburg Road in Northwest San Antonio.

Over the next several months, however, Alamo Ice will be working feverishly to ramp up its business and help more San Antonio residents keep their cool.

Five more Alamo Ice sites are set to open over Father's Day weekend, according to David Martinez,



TORENCE WHITE / SAN ANTONIO BUSINESS JOURNAL (L to R) David Martinez and Joe Fuentez Jr., partners in San Antonio Ice Houses LLC, hope to make Alamo Ice House a household name in San Antonio.

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one of the partners and investors in the company. Three of those facilities also will be located in Northwest San Antonio; two will be on the city's Southeast Side.

By the end of the year, San Antonio Ice Houses expects to have 12 Alamo Ice facilities up and running. By this time next year, Waller and his partners expect that San Antonio Ice Houses will be 20-facilities strong.

Plans call for all of the facilities -- like the inaugural Alamo Ice House at Fredericksburg and Crossroads -- to be located on the parking lots of local retail centers. In particular, the company is targeting second- and third-generation strip centers that have, as Martinez says, "lost some of their attraction."

San Antonio Ice Houses simply inks a lease to occupy roughly 200 square feet of space in a retail center's parking lot -- the size of the modular ice-vending buildings.

How well is the concept doing so far? To date, the Fredericksburg site is selling, on average, about 250 bags of ice each week, Martinez says.

And as more of the facilities get up and running, Martinez expects that more retail owners will be interested in bringing the concept to their sites.

"(Our existing customers) are going to help us fill in sites all over town," Martinez says. "We're going to be everywhere -- just like your corner (convenience) store."

Cold Cash

For \$1.50, customers can get either a 16-pound bag of chipped ice or 20 pounds of bulk ice, Martinez says. Shoppers would likely spend that same amount for a mere 14-pound bag at area convenience or grocery stores, he adds.

"It's a good concept, and the price is right," says Ezra Diaz, owner of locally based Sunset Painting & Waterproofing and a customer of Alamo Ice House.

In the process of making Alamo Ice House a household name, its owners also hope to make some cool cash.

According to the Ice House America Web site, the average initial investment for one ice house is about \$100,000. For that, owners get a machine that can produce about 6,500 pounds of ice per day.

No employees are needed to run the vending machines.

The machines easily pay for themselves in a short amount of time, says Waller, who expects that over the next 12 months, each Alamo Ice House machine will be boasting annual sales of roughly \$70,000.

In a year's time, that amounts to San Antonio Ice Houses posting annual revenues of about \$1.2 million based on its current expansion plans, he adds.

That goal doesn't seem so far-fetched, given that the packaged ice business is now a \$2.5 billion industry, Waller says.

"This is a tremendous money maker," he adds.

But Alamo Ice may not be the only game in town for long.

Jeff M. Poore is the director of sales for The Ice [Cube.com](http://www.icecube.com), which also specializes in ice-vending machines. At present, The Ice Cube has sites in several states, including Georgia, Florida and

Louisiana.

And now Texas. The Ice Cube has two facilities up and running in Houston, and one in Waco.

"We are heading that way," says Poore of the Texas market.

For now, however, San Antonio Ice Houses is concentrating on its own opportunities in the Lone Star State -- especially San Antonio. "San Antonio doesn't need much (of a reason) to have a party," Waller adds. "The city presents just a fantastic opportunity."

San Antonio Ice Houses LLC

What: Operating under the name Alamo Ice House, the company plans to unveil up to 20 ice houses/vending machines here over the next 12 months.

Cost: \$1.50 for either a 16-pound bag of chipped ice or 20 pounds of bulk ice
Machines: The Alamo Ice machines are owned by San Antonio Ice Houses LLC -- one of the franchisees/distributors for Ice House America LLC, a Jacksonville, Fla.-based manufacturer of ice-house vending machines
Franchise owners: H.T. Waller, Roger Laney, David Martinez and Joe Fuentez Jr.

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