

BUSINESS // REAL ESTATE

'Industrial mega-site' in the works for 188 acres on South Side of San Antonio



Madison Iszler, Staff writer

May 4, 2023 | Updated: May 4, 2023 3:37 p.m.

Gift this article



Koontz Corp. said the Frontera Logistics Supersite off of Interstate 35 between Somerset Road and Loop 353 has room for up to 2.8 million square feet of industrial space.
Courtesy of Koontz Corp.

A San Antonio company plans to develop a 188-acre “industrial mega-site” on the city’s Southwest Side, the latest indication of [strong demand for warehouse, manufacturing and distribution space](#) that’s gobbling up the dwindling number of sites in the metro area.

Koontz Corp. said the property off Interstate 35 between Somerset Road and Loop 353 has room for 2.8 million square feet and parking for 3,350 cars and 812 trailers. The company, which has ties to the late B.J. “Red” McCombs, declined to disclose what it paid for the land, which is made up of 11 parcels bought from 26

different owners that had been used to grow corn and other crops for the past century.

Its location inside Loop 410 along a major highway was attractive to Koontz executives. There's a push for "nearshoring," or moving production closer to the U.S., and Laredo is a major port, said Vice President of Development Michael Hargrave.

"We think this site is really well situated to accommodate all those distributors, manufacturers, suppliers — everybody that's up from the border," he said. "You come up 35 and we are right there."

The property is "the largest developable infill site left in San Antonio that is receptive to industrial and manufacturing," said John Colglazier, partner at Partners Real Estate, which will manage sales and leasing for the project that's been dubbed Frontera Logistics Supersite.

Sewer, water, electric and gas infrastructure is already in place. The project will take from six to eight years to build out and include a mix of facilities built for specific tenants along with speculative space, Hargrave said.

"We think San Antonio is a perfect location for industrial demand and for future growth," he said. "It's a market that is not slowing down for industrial growth."

San Antonio's industrial market of roughly 149.6 million square feet had a vacancy rate of 5.3 percent in the first quarter, up from 4.3 percent during the same three-month period last year, according to a report by Partners. Nearly 4 million square feet of space was finished, which contributed to the increase in the vacancy rate, the real estate firm said.

Net absorption — move-ins minus move-outs — totaled 1.3 million square feet, down from a peak of over 6 million square feet in the first quarter of 2022. About 7.4 million square feet of space is in the works, primarily in northeast and south San Antonio, according to Partners.

The Frontera project will bring Koontz's portfolio to about 3.5 million square feet of industrial space.

Koontz was founded in 1997 by Bart Koontz and McCombs as Koontz McCombs Ltd.

“I went directly to him and said, ‘I think that a strategic alliance of my skills with your backing and political connections, and advice and experience, would be a really powerful combination,’” Koontz said in [a recent interview](#) about McCombs, who died on Feb. 19. “We started slowly, but gained momentum. Red, I think, began trusting my skills and putting more coal to the fire.”

The company’s first project was the Twin Oaks corporate office park at Loop 1604 and U.S. 281. It continued building other office buildings in the San Antonio, Austin and Houston areas and later branched into multifamily development as well, according to its website.

Koontz and McCombs launched Koontz McCombs Construction Ltd. in 2000. Koontz bought McCombs’ interest in the development and construction companies and renamed the combined entities Koontz Corp. in 2015. It sold the construction commercial division to Joeris General Contractors in 2016.