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## CARS AND DRIVERS

Silver Wes Limousines' new owners look for markets far away from Uber

## CAPITAL SUCCESS

Tiffany Cason becomes one of North Texas' top bankers at just 38.

## ALLEY'S HAT

Gerald Alley, CEO of one of the largest minority-owned construction firms, dives into his next project: Arlington's Texas Live!

# SUNNY'S SIDE UP

Sunny Brous Erasmus, diagnosed with ALS at 28, keeps working, talking about her journey and bucket-listing.



Gerald Alley

# Alley's Hat

Gerald Alley grew up with little, but he ended up going to college, earning an MBA, and founding one of the nation's largest minority-owned construction contractors. Where he started: lessons from mom and dad.

BY SCOTT NISHIMURA / PHOTOGRAPHY BY PETER ROBBINS

**G**erald Alley could have written a book off of lessons he and his siblings learned from their father, who owned an Esso station in Pine Bluff, Arkansas, and mother, an educator who preached to her kids the way to a life was through learning.

Lesson one from his father, Troy, Alley says: "I'm going to provide for everything you need, but I'm going to be able to provide very few things you want."

Lesson two: "You don't spend money you don't have." And three: "Make sure you have enough. Make sure you have enough cash."

"We always wondered why we didn't drive new cars," Alley says. "He'd say, 'Our job isn't to drive around in the best cars. Our job is to fix cars.'"

And Gladys Alley? "My mother was all about college," Alley says. "My father's motto was to work hard. Hers was to get educated." Gladys Alley attended a private college, Philander Smith College, a historic black college in Little Rock. The Alleys' service station was across the street from a black college that later became the University of Arkansas at Pine Bluff.

"Most African-Americans [in the town] were exposed to picking cotton and working in the field," Alley says. "We were exposed to teachers. We were not at the same level as whites, but we were at the same level of expectations. My brother was good at math. My mother would say, 'Don't you want to be an engineer?'" His

brother attended the University of Arkansas at Fayetteville. "Mom said I should go to Fayetteville. I went to Fayetteville."

And later, when Alley called home to tell his mother he wasn't enjoying his first job working on the management track for a major retailer in Dallas, Gladys Alley told her son he needed to pursue a graduate degree; Alley earned an MBA from Southern Methodist University after he presented a life's business plan to the admissions director for what he'd do to give back to the university if the business school let him in.

The messages stuck. Alley, 64, became a consultant in Fort Worth who helped minority-owned businesses better position themselves for city contracts. When his own city contract dried up, he launched his own construction firm in the early 1980s, focusing first on restaurants, and then running a string of increasingly more ambitious projects in retail, office, medical, dot.com, distribution and hospitality. Today, nearly four decades later, Alley's Con-Real, a construction and real estate company whose headquarters are in a strip shopping center in North Arlington, is one of the nation's largest minority-owned contractors. And its next bite of the apple: it's in partnership with Manhattan Construction Co. to build the giant \$250 million Texas Live! entertainment complex in Arlington.

It's a hat Alley proudly, but modestly, wears, and one whose dings and dents go back to the stories he tells of his childhood. Con-Real calls itself "a local firm with global reach," a threshold Alley was

initially reluctant to approach. These days, Alley and his wife of 31 years, Candace, have been passing lessons of the same sort on to their own three children. And Alley, at the same time he continues to build the business he owns with his brother, Troy, and a longtime partner, Joseph Breedlove, is working on setting the company up for the next generation of owners, who eventually will take the company on. He's stopped saying "it has to be an Alley" who does that. "Our goal is to make sure the next generation of leaders for Con-Real takes the same principles my father and mother had," Alley says. "Get up early, stay late, have an impact and keep learning."

**What a Dad Can Teach** Alley's father grew up in a small town between Little Rock and Memphis, left home at 16, hopped a train, and came to Pine Bluff in search of opportunity. He went to vocational school and became a mechanic, going to work for the Esso station across the street from Arkansas AM&N, the black liberal arts college that later became the University of Arkansas-Pine Bluff. "His goal was to have a business," says Alley, the youngest of five siblings; his brother Troy is a partner in Con-Real and runs its real estate services side. Their father bought the gas station soon after he started working for it, then the building and other small pieces of real estate around it, becoming landlord to numerous other businesses, including a popular ice cream shop. Gladys Alley, who earned a graduate degree at the University



Gerald Alley and his mother, Gladys, and father Troy Alley (upper right)



of Kansas after Philander Smith, stayed at home with the couple's five children, volunteering at the polling booth and Scouts, and working at the Esso. Forty-seven years after he bought the station, Troy Alley died at age 69. Through a land swap, his family provided the real estate that the university built the Troy and Gladys Alley Information and Public Safety Center on.

The Alleys lived in a three-bedroom shotgun in a mostly black neighborhood near the university and the gas station. "The boys were in one bedroom, the girls in one bedroom," Alley says.

At the Esso, their father wore a white coat to serve customers. He quickly bought into technology, buying electric gas pumps in 1936. "He would buy manuals, because he wanted to know how the cars worked," Alley says. "He offered credit to anybody that needed it, because he needed the customers." At age 9 – "maybe I was 7" – Alley began working in the station, wiping the cars down and cleaning oil cans. By the 11th grade, Alley was doing the books and running the station while his dad worked on customers' cars. The station employed two to three people at any given time, plus the Alley children. "He had to pay Esso in cash to buy gas," Alley says. "We understood the models of business very quickly."

When the siblings got around to asking their father what wages he would pay them for working at the station, "he said, put your

hours down." Then he had them deduct expenses of living at home, including rent, food, and laundry. "He gave whatever he felt he could give," Alley says of what he

and his siblings received for working. "He'd say, make sure other people get paid before you get paid." One night, Alley promised his friends he'd attend a high school dance with them, but he got caught up helping his dad at the station. "My dad was working on a carburetor," he says. "He said, 'If I don't fix this carburetor, we don't eat tonight.' So I asked, 'What tool do we need?' I didn't go to the dance."

When Troy and Gladys Alley began buying real estate around the station and university, becoming landlords to the ice cream stand, shoe shop and grocery store, they didn't tell their kids, who figured it out. "Dad told us, never ask them for anything," Alley says. "We got ice cream at home."

Alley and his siblings grew up during the burgeoning 1960s civil rights unrest, but "it wasn't tense" in their black community, where black business owners did business with other blacks, he says. "We saw our community as our community," he says. "It was a very segregated city. We were used to seeing entrepreneurship in our own community."

But then tensions ignited in 1957 over Arkansas Gov. Orval Faubus' use of National Guard troops to block black students from entering Little Rock Central High School after the U.S. Supreme Court's landmark *Brown vs. Board of Ed-*

education decision struck down segregation in public schools. "When Little Rock Central High School happened, I became sensitive to it," he says. He grew up during the era of Jim Crow laws, meant to keep whites and blacks separate, but wasn't largely aware of their significance.

"We didn't ride the bus; Dad drove us downtown," he says. "At the movies, we had to go up in the balcony, but as a kid, we thought it was kind of cool." Then Dr. Martin Luther King was assassinated in Memphis, and riots broke out in Pine Bluff. Alley remembers the TV coverage. "That was the first time I ever saw Pine Bluff on a map," he says.

In his senior year in high school, Alley wrote he wanted to run a big business in the yearbook. During his first year at the University of Arkansas, Alley recalls he usually was the only black in class; blacks numbered 120 of the 12,000-13,000 students at the university. "By

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— Gerald Alley

my senior year, the student body elected a black president, and I was elected to the student senate representing off-campus students." His parents kept up the same messages with their children. "You need to work hard," his father said. "White people who didn't like him – he didn't get hung up with what they thought. My dad would say, 'Go make the change.'"

Alley recalls he was a mostly C student in

high school. By his second year at Arkansas, things weren't better. "My dad came and said, 'You're wasting my money,'" and threatened to pull his son out of school. Alley got a work-study job that included closing out the student union at nights. "Working in the student union, you had dead time," he says. He pulled his grades up by his junior year. As a senior finance major, Alley took a retail elective and caught a break when the president of the retailer Sanger Harris came for a guest lecture.

**Getting His MBA** Alley took the opportunity to ask how many of the company's buyers were black. None, came the answer. "What percentage of your market is black?" Alley asked. The executive didn't know. "How do you communicate with your market?" Alley asked. Two days later, he received a letter from Sanger Harris, offering to fly him to Dallas for a job interview for a position in the company's management program. First, they put him in the toy department at the downtown Dallas store. Then the company moved him to men's. "I hated it," he says. "A month later, I called my mom and said I needed another job." She said, "You need graduate school."

He applied to the MBA programs at North Texas State University, Texas A&M, and East Texas State. SMU occurred to him, and he walked in, unannounced, to the admissions director, who told him the program liked a certain number of years of experience and reminded him SMU "is not an inexpensive school." Alley replied he didn't have any money and told the director SMU would not become a prominent business school without embracing diversity.

"It's easy to take rich kids," Alley, demonstrating his sales chops, told the director, promising he'd write a business plan detailing how he was going to go back and give back to the school. Two months later, Alley received a letter from SMU informing him he was accepted and offering a scholarship plan, more money than he'd been making at a previous job. "I went back and accepted it right there," before the university had even seen his GMAT admissions test scores,

he says. Just 20 when he graduated Arkansas, Alley was 21 when he entered SMU.

His intent: to quit work and study full-time. He saw no path for blacks in Sanger Harris anyway. But the Sanger Harris president wouldn't let him go and instead sent him to work for the vice president of personnel, exploring employee turnover among blacks. Alley worked fulltime while studying fulltime for his MBA. He also talked SMU into considering his brother, Troy, who was working in real estate in Washington, D.C., for the MBA program.

After SMU, Alley first went to work for a consulting firm in Dallas, then was recruited to consult small business owners in Fort Worth. Alley went to the City of Fort Worth and put in a bid for a contract to operate as a consultant to small contractors applying for jobs at the city. He won a \$62,000 contract. "I was getting paid \$20,000 where I was working," he said. He paid himself \$8,000 and budgeted money for another consultant, secretary and rent. After the fourth year, the city didn't renew the contract. "I said for four years, we've been telling contractors what to do; we need to be contractors." He went into the construction business in 1981 with a partner.

Alley focused on pitching fast-food restaurants, even though he'd never built one. "Their name recognition will help lift us up," he says. He contacted McDonald's and was turned away. Then he pitched the regional office of Taco Bell. "He said, 'Why would I let you build a Taco Bell?'" But Alley got one piece of important information for his trouble: where Taco Bell was building restaurants in the region. Visiting a construction site, he learned who the subcontractors were and that they tended to follow the general contractor from job to job.

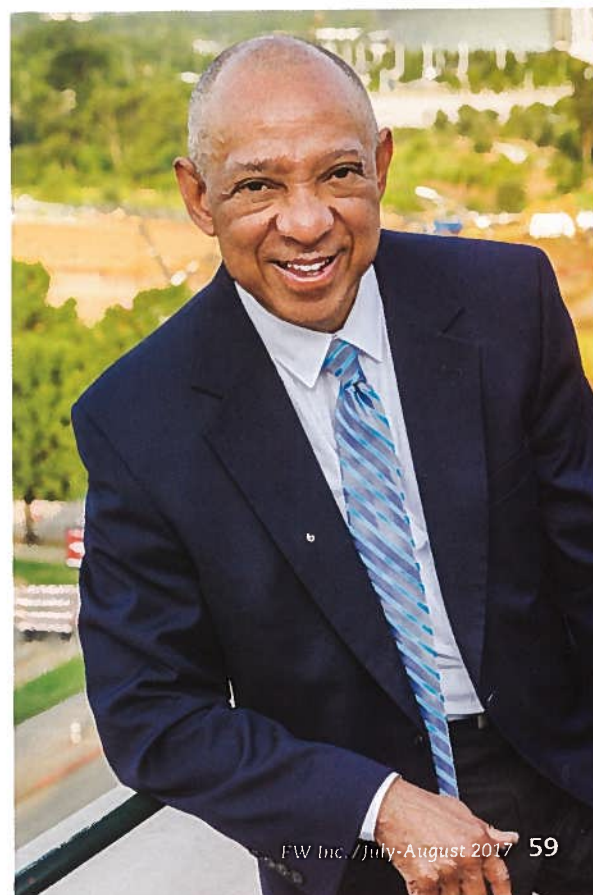
Then he pitched a job to build a fast-food restaurant in south Dallas. He was the low bidder and won the job. "Ditch Witch came up," he says. He didn't know what that was. "I told all the subs, you've got to tell me how to build this thing. And every Friday, I will buy beer and pizza." He was late finishing the project and lost money on it. But that put him into the game. Soon, he learned the

concept of putting his fee at risk, seeking a bonus on one job for every day he was ahead of schedule. "We shared the bonus with the superintendent," he says. "We got to where we could build a Burger King from start to selling hamburgers in 51 days."

Then Alley caught another break, in a roundabout way. He'd been building restaurants for \$250,000, but restaurant developers overbuilt. "We hit a wall," he says. With five years under his belt and a record, some wanted him to do jobs nationally, but "I didn't have the management span. I couldn't do that in Tallahassee."

He heard the developer of the City Place office tower near downtown Dallas was going up for bid. "They needed a local partner, and I came up," he says. Con-Real landed a \$3.5 million piece – building four eight-story garages – of a \$12 million project. It was the company's first joint venture and signaled "you're in the big times. This is not a restaurant."

Con-Real next ripped off a string of projects in the mid-1980s, including Lone Star Park at Grand Prairie, retail stores, schools



and other public facilities, grocery stores, and medical office.

**Big Hit: Psychiatric Hospital** The company took a big bruising in 1989, when it signed on as the general contractor to renovate a psychiatric hospital in Waco for the federal government. The \$12 million project took 18 months and was mired in paperwork in a dispute over cash flow. “We weren’t getting paid for the delays,” Alley says. “We finally settled the claims, but the damage was done. That’s why we were hesitant on doing major projects.” The project took Con-Real out of its bread-and-butter retail market. “It shook our organization.”

But the experience reinforced what Alley already knew. “We had always had a high level of cash,” he says. “We hoarded the money, so we were able. It was heart-wrenching. We lost a lot of equity.”

His attorney suggested Alley consider bankruptcy, but he declined. “If we’d been operating in the margins, that would have taken us out,” he says. “You don’t become a business until you get hit. You have to be prepared for the tough days.”

The company moved into real estate services to diversify. It also moved into the dot.com segment when that was riding high, doing projects for AMD, Texas Instruments, and Intel. With those clients, the company started putting itself more at-risk, with arrangements that rewarded it for performance. “Even though it’s at risk, it’s a more controlled risk,” he says. “It allows you to have inputs.”

In the 1990s, the company – then at 40 employees – took its next major shift, making deals to design and build distribution centers in Dallas and Houston, working for clients such as Frito-Lay. “A guy said, I thought you were in the semiconductor business,” Alley says. “I said, we’re still in the chip business. Just corn chips.”

Distribution clients then asked Con-Real

to do what it been reluctant to do: build projects nationally. Con-Real offered to take over the construction process for clients. In one case, he shaved the number of subcontractors to three from 20. Alley figured out he could build nationally for clients with little infrastructure. “All we need is a travel superintendent and a technology base.”

**Going National With Wachovia** Having figured out how to go national, Alley and Con-Real were presented with a new major challenge: renovating 250 bank branches for Wachovia, the North Carolina banking company that had acquired another bank. “They wanted a single contractor that could do the whole project,” he says. Wachovia’s other criteria: none of the branches could close during the renovations, and Con-Real had to complete planning, design, and construction within nine months. Con-Real figured it could do the job with 75 superintendents and 30 project managers, but kept pushing Wachovia to break the deal up into smaller contracts like

75 bank branches. Wachovia said no. A friend of Alley’s told him, “Don’t go for the concession prize when the real prize is on the table.”

Alley bid the \$50 million contract. Wachovia subsequently invited Con-Real to travel to North Carolina for a presentation. Alley instead brought 14 key people, each with

part of the presentation.

Wachovia had a policy against taking first-time vendors at the size of the contract, but Alley pressed ahead. Wachovia was still hesitant. Alley reduced his fee by 25 percent, but negotiated several bonuses related to service satisfaction. Those included promises that the branches would never open dirty during the work, and the offices would not close during construction. Moreover, Con-Real would earn bonus points from periodic satisfaction surveys it sent to the branch personnel during construction.

**“I called my mom and said I needed another job. She said, ‘You need graduate school.’ ”**

– Gerald Alley



“We had janitors clean up each night after the day’s work,” Alley says. “We had a vendor take cookies to the tellers [with notes that read, excuse our mess].” Con-Real also blew away Wachovia’s goal for minority participation in the project. And Con-Real brought the project in on time. “It turned into a \$73 million project.”

The 2008 recession was approaching, and Alley ensured he got fully paid by asking Wachovia to bring in an audit team. Con-Real got paid, and, soon after, Wachovia failed. “Was that luck, or was that God?” Alley says. “We did a project that size; we considered ourselves big-game hunters.”

**Big Prize: Texas Live! Contract** It’s a warm and humid morning in mid-June, and Alley’s just flown in from a business trip to Atlanta the night before for a photo shoot at the Texas Live! site. He’s making small talk with Wesley Weaver, a Manhattan Construction vice president and its project director or the Texas Live! construction. Crews are digging the piers. “Nobody really appreciates all the stuff that goes underground,” Alley said.

Alley’s expertise in hospitality and conference centers, and his local relationships and ability to draw area contractors

Texas Live! under construction between Globe Life Park in Arlington and AT&T Stadium (left), Gerald Alley and Manhattan Construction executive Wesley Weaver. Texas Live! rendering



into the project, made sense to Manhattan, Weaver said. Manhattan today has only two other joint ventures in progress: an eight-year project to renovate Dallas/Fort Worth Airport's terminals B and E and a contract with Dallas County to renovate the Old Dallas County Criminal Courts Building, the Dallas County Records Building, and the Records Building Annex.

"Everybody had different connections and different relationships, so it makes sense to pool all of those relationships," said Weaver, who's worked for Manhattan 18 years. "It's an opportunity to help Gerald and Gerald's people grow, and it'll be a good opportunity for some of my guys to learn from his teams."

Arlington's mayor, Jeff Williams, also likes the potential of the Manhattan/Con-Real joint venture. It's "an excellent example of how local and minority and women-owned businesses are being included."

For Con-Real, Texas Live! represents the company's most recent "paradigm shift," as Alley calls them, came from its pursuit of contracts to the construction of AT&T Stadium. "We supported the [sales tax] vote, we bid, we didn't get it," Alley says.

But he began looking for sites to buy in Arlington for a hotel that could trade off

of the stadium. Alley joined the Arlington Convention and Visitors Bureau to better understand the market and today serves on its board of directors. Con-Real went into a partnership that designed, developed, built, and operated the Hilton Garden Inn on Lamar Boulevard in North Arlington.

The big prize emerged early last year, when Alley heard talk that a developer – The Cordish Cos. – wanted to build a big project around Globe Life Park. Alley contacted Williams, the mayor, who recommended Alley reach out to Cordish.

Alley reached out to the company, which invited Alley to visit the company's headquarters in Maryland. During a three-hour meeting, Cordish's principals asked Alley what his interests were in the \$250 million project. "I said I want to be an owner," he says. "They said no. I can always come down, but I can't go back up. They asked me if I wanted to do it myself. I said no."

Cordish's principals suggested Alley contact the other primary contractors who were bidding on the project; Alley and Con-Real landed the joint venture, with the \$50 million conference center as its own piece.

Today, Con-Real, which has 40 employees and whose bread-and-butter projects are \$10, \$25 and \$30 million deals, helps other

minority-owned contractors. "We lead by example," Alley says. "If you fall behind, realize it and get it in gear."

**Giving Back** As an Arkansas alumnus, Alley says he didn't maintain significant contact with the university for years. "Then in 2000, one guy called me from the university," he says. "He asked me to come back" and help the business school. "I said, 'How many black students do you have in the business school?'" Alley says. He agreed to support initiatives that helped black students, then eventually to serve on the business school's board.

His family created the Gladys and Troy Alley Scholarship for minority students with financial need. It throws off \$2,000-\$4,000 in scholarship money per year, and has \$100,000 in the fund, from the Alley family, Alley says. Alley also helped launch the Alley Scholars Summit, a series of lectures at Arkansas, SMU, and 16 other colleges. Alley supports an engineering program at Arkansas, and he also contributed \$100,000 to the University of Arkansas at Pine Bluff. Con-Real has also built on the two Arkansas campuses, projects that include a STEM building at Pine Bluff and library at the Fayetteville campus.

The Alley family's business prowess has rubbed off on Alley's three children. Gina Alley is a senior assistant city manager for the city of Grand Prairie. Stephanie Alley, a cello player, is working on her master's degree at the University of North Texas in music education.

Son Byron, a junior at Arkansas, has already launched his first company: a commuter bus service called Hog Ride that moves Razorback students between Fayetteville and North Texas for special events, spring break, and football games, selling seats for \$99 roundtrip. An estimated 40 percent of Hog students are from North Texas. Byron Alley established partnerships with bus companies and manages bookings and the business over mobile apps. The 53-passenger buses break even at only 27 seats sold, Alley says proudly. "He's always liked transportation." **FWInc**