

Giving Back:

How one Texas CRE Professional is helping feed thousands

BY BRANDI SMITH

For many Texans, native or otherwise, hunting is a way of life. It's an opportunity to connect with nature, while challenging oneself and providing for one's family. Hunters' Harvest, a Houston-based nonprofit group, is working to take hunting a step further, offering up some hunters' bounty to those who need it most.

"We've had incredible success"

To understand the group's mission, you must first learn how it all came together. It started during conversations between members of The Get Together, a monthly gathering that connects professionals with local, Christ-centered ministries.

"It's an opportunity to engage business people in serving their community using the gifts God equipped them with," said Paul McDonald, The Get Together's board president.

Instead of fundraising for charity organizations - something The Get Together does not do - the group instead encourages its members to volunteer or offer pro bono services. Since it started in 2003, the group has collectively volunteered more than 11,000 hours.

"Needs are met in a number of ways," McDonald said. "They can share their expertise, make contacts on behalf of a

ministry or mobilize volunteers."

"[Houston businessmen] wanted to do good, but they really didn't know how. The Get Together and Hunters' Harvest provide those opportunities" - Paul McDonald

A couple years into The Get Together, McDonald and several other members, who also happened to be hunters, had an idea: encourage fellow hunters to donate fish and game to partner ministries. As a result, Hunters' Harvest was founded in February 2005 and to date has collected nearly 180,000 pounds of donated meat.

"We've had incredible success by organizing a number of events, including Clean Out Your Freezer Day, which brought in more than 15,000 pounds of fish and game donations," said McDonald, who also serves as president of Hunters' Harvest.

"I was going to do this on my own."

McDonald's involvement in both groups should come as no surprise to those familiar with his name. A business owner, entrepreneur and investor, he has more than 45 years of experience in Texas real estate.

He got his start in 1971 when he and two partners started Associates of Financial Planning, which focused primarily on real estate, insurance, retirement plans and general financial planning.



Paul McDonald

"We went from 12 people to about 60 people fairly rapidly," McDonald recalled. "In the beginning, sales numbers were relatively small - maybe \$15 to \$20 million - and got up to about \$100 million."

About a decade in, McDonald sold his stock back to the company.

"I decided where they were going was not where I wanted to go," he explained. So I was going to do this on my own."

In 1984, he founded McDonald Securities, Inc., a licensed broker-dealer company, but just a few years in came the Tax Reform Act of 1986.

"That's what really pried me out of the financial planning business," McDonald said. "I loved the business, but I used to be a part of 60 people and I'm now a one-man shop. I didn't have the ability nor the time to get technically proficient. I chose not to do it if I can't do it well."

"I got the money. Let's close it."

One thing McDonald knew he could do well was commercial real estate.

"I love the competitiveness of it. I love negotiating. I love digging through a deal and figuring out what I need to do to control it and build value," he said.

Over the years, he and some partners had accumulated a portfolio that included several pieces of property under the umbrella of Paul S. McDonald & Associates, Inc.

"We ended up babysitting all of those

properties,” McDonald said. “We sold the last one 20 years after we bought it.”

In the interim, he took special interest in apartment buildings. For nine months, he'd been trying to raise money for a partner project he had under contract. The goal was \$1.2 million, but he could only muster about \$250,000.

The turning point came when McDonald sat down with Donald Bonham, who started Fiesta with his partner O.C. Mendenhall.

“I apparently didn't look well that morning,” McDonald recalled. “[Bonham]



said, ‘What’s wrong?’”

McDonald says he replied, “Going broke is not fun,” to which Bonham responded, “What can I do to help?”

McDonald explained his situation could change with an investment by Bonham.

“[Bonham] said, ‘I don't want to be in apartments. I can go build a Fiesta and create the value of the whole shopping center,’” recalled McDonald.

McDonald told Bonham, “I understand that. You asked me what you could do and I told you what you could do. You told me you didn't want to do it and that's OK.”

Bonham's response? “Come back at 8:30 Monday morning.”

Come Monday, Bonham wrote a check before the two had even talked about logistics. They hammered out the details of a deal then and there.

“[Bonham] said, ‘I'm going to go look at my property in Hawaii, the property where South Pacific was filmed. I'm building a house there and I'll be back in January. You go get this property closed,’” said McDonald. “I called the seller and said, ‘I got the money. Let's close it. On Nov. 26, we closed my first deal that wasn't managed by somebody else.’”

“We work on tough deals”

It wasn't exactly smooth sailing, though; McDonald hired a management company to oversee the property, now called the Winrock Apartments. Four months in, that company had only leased four of the 106 available units.

When McDonald made the decision to fire the management company, he also decided to add a new service to his own company's growing list: apartment management. Ever since, the property has flourished. Now, 30 years later, it is still paying distributions for its investors, which include several of Bonham's heirs.

“His daughters are still in Winrock,” McDonald said. “I bought out most of

“If you've got a property that's really, really bad, we're known as the guys who will take it on” - Paul McDonald

the other original investors, except his daughters. I like that they can continue to enjoy the fruits of their father's labors. Winrock is really an estate asset for us.”

It was an asset that helped propel McDonald into more projects. Bonham paid a 6 percent real estate commission, providing the capital for McDonald to buy another property: the Brittany.

Built in 1970, McDonald purchased the property in '87, not realizing the challenge that lay ahead. Many of the buildings were in poor condition; some even had massive holes stretching from the second-story roof to the ground floor.

“The people who owned it would even put a piece of plywood up on the deck and pour a 5-gallon bucket of tar over it to just divert any of the water,” McDonald described. “You literally had roofs falling in.”

After months of discussion about what to do with the units, McDonald and his partner decided to rehab them.

“What we do is very challenging because we work on tough deals,” he said. “If you've got a property that's really, really bad, we're known as the guys who will take it on.”

Though the Brittany Place Apartment proved to be a headache, the project was the vessel through which McDonald connected with banker Chris Holder, who introduced the idea that eventually spawned The Get Together and brought McDonald on board.

“I realized that Houston businessmen have a different view of life and business, entrepreneurship, risk taking, doing what's right for their city,” he said. “They wanted to do good, but they really didn't know how. The Get Together and Hunters' Harvest provide those opportunities.” ●

To offer your support to The Get Together, log on to www.thegettogether.org or call Leah Waughtal, Executive Director, at 281-785-7518.

For further information about Hunters' Harvest and how to donate your last catch or kill, log on to www.huntersharvest.org. You can also call 281-320-8259 and talk to Cathy or email cathy@huntersharvest.org