



ICE BUSINESS TWICE AS NICE FOR OWNERS

Company uses self-contained units that dispense ice to consumers at about half the cost of retailers

By CHRISTOPHER CALNAN, The Times-Union

ATLANTIC BEACH -- Buddies Harry Jackson and Jim Skipwart loaded two coolers filled with 20 pounds of ice apiece into the back of a truck off Atlantic Boulevard last week. Price tag for their haul: \$2.50.

The two were driving out to go fishing with Jackson's brother near Gainesville and needed to keep food and beer cold during the trip. They fed the money into the large white machine next to Fisherman's Seafood & Bait, pulled the lever and watched the ice fill both coolers.

"It's a lot more convenient than going in a store and it's twice the ice," Jackson said. "It's a wonder someone didn't come up with this idea a long time ago. Whoever came up with it is going to make a million dollars."

Actually, they did.

Jacksonville businessman Bob Alligood bought the design of the automated ice-dispensing units from two Georgia farmers in early 2003 for \$1 million, plus a percentage of gross sales for 20 years.

Since July 2004, the company has sold 163 units that operate in nine states, but Alligood expects more than 200 to be operating by the end of the year. The machine, about the size of an extended-cab van, offers an alternative to the indoor coolers that mean a trip inside a grocery or convenience stores and heftier price tag for less ice.

"Really, there's nothing like it," he said. "There will be, I'm sure, but we'll enforce our patent."

Ice House units sell 16-pound bags of ice, or 20 pounds unbagged, for \$1.25. The bagged price is about 50 percent of the typical supermarket price.

The units are topped with an electric ice maker that dumps 35 pounds of ice into a bin at the rear of the unit every eight minutes. An auger then moves the ice toward a scale toward the middle of the unit which weighs the ice before sliding it into a bag that slides down a chute leading outside to the customer.

Unbagged ice in 20-pound quantities goes to another chute that's released when the customer pulls a handle.

Alligood expects the average Ice House unit owner to break even in about two and a half years.

Ice House's manufacturing plant in Moultrie, Ga., is capable of building two units a day. But the plant is now building about 20 units a month, staying 10 to 15 units ahead of the orders, Alligood said.

Archie Harris, spokesman for the International Packaged Ice Association, said similar, partially automated ice-making machines were tried 30 to 40 years ago and flopped because of maintenance problems.

Alligood said the \$100,000 units include switches that when they aren't tripped in the proper sequence send a malfunction signal through the telephone to owners. Initially, the company received one maintenance calls day. That's down to a recent rate of two calls every 20 days, he said.

Ice House units are 24 feet long, 8 feet wide and 9 feet high. Unit owners typically rent space from shopping centers or owners of land near locations where people would need ice and connect the units to water and electricity.

In Florida, property owners typically charge unit owners \$450 to \$500 a month for the 200 square feet needed for the units.

The company has 24 dealers who operate or sell units in 12 states and the Bahamas. The dealers pay a one-time fee of between \$45,000 and \$250,000 for their territories, depending on the populations.

Alligood, a Moultrie native and former engineering firm executive, operated a financial consulting firm for a couple of years before retiring in 1992. Two years ago, family members told him about the automated ice-making unit invented by two local men.

One of them, Moultrie resident Donald Dalton, quit farming after a heart transplant and opened a fish market in 1993. He had an ice-maker to keep his fish cold and sold surplus ice to his customers.

As a customer convenience, Dalton built a partially automated conveyor-belt system onto the machine so that it delivered bagged ice 24 hours a day when activated by a dollar bill. After a move to Florida, Dalton returned home and teamed up with his cousin, Lavon Stripling, to build another ice-maker.

In 1999, Dalton and Stripling began designing and building the first automated unit in Moultrie. Stripling, a 59-year-old peanut and cotton farmer, said he got some of his design ideas from a cotton gin.

The cousins built five units, which were placed in the Moultrie area. A telephone number listed on the units intended for customer assistance generated more business inquiries than complaints, Dalton said.

"I didn't have as much trouble with the vending machine as much as people calling me wanting an ice house," he said. "We weren't prepared for the orders coming in."

Neither wanted to run a manufacturing business so they sold the company and patent to Alligood, who then formed Ice House America in Atlantic Beach and spent another \$400,000 making and testing prototypes in Moultrie, he said.

Rusty White, a self-employed telephone line installer from McRae, Ga., owns seven Ice House units, all of them in South Georgia.

"If I had the locations I'd get two more next week," White said. "I may end up with 15 of them."

Dalton said one of his IceHouse units in Moultrie, the only unit he's operated for a full year, did more than \$55,000 in sales -- and that unit charges just \$1 a bag, rather than the more typical \$1.25.

"I don't understand why it took two farmers from South Georgia to come up with this idea," he said. "I don't know of anything that returns your money like the ice business. If I knew, I'd be doing it."